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Final Report of the Commission to Study Public Financing of State Elections

Maine State Legislature

Office of Policy and Legal Analysis

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**STATE OF MAINE
114TH LEGISLATURE
SECOND REGULAR SESSION**

**Final Report
of the
COMMISSION TO STUDY
PUBLIC FINANCING OF
STATE ELECTIONS**

December 1990

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Sen. Zachary E. Matthews**

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Rep. Joseph W. Mayo
*Rep. Charles R. Priest
Rep. Helen M. Tupper**

**David Emery
Edward S. O'Meara
Richard Pierce
Karen Stram**

*** Denotes Chair**

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	1
I. Background	
A. The Commission's First-Year Analysis of Gubernatorial Campaign Financing	3
B. The Commission's Second-Year Analysis of Legislative Campaign Financing	4
II. The Commission's Findings and Recommendations Regarding Legislative Campaigns	
A. Maine House and Senate Campaign Financing Case Study	5
B. Commission Findings	6
C. Final Recommendations	8
Appendix A: Enabling Legislation, Resolves 1989, ch. 59	
Appendix B: A Case Study of Campaign Financing in 6 Maine Senate and 6 Maine House Districts	
Appendix C: 1990 Post-Primary Summary	
Appendix D: Legislation Implementing Commission Recommendation 1	
Appendix E: Legislation Implementing Commission Recommendation 2	

EXECUTIVE SUMMARY

The Commission to Study Public Financing of State Elections was created by Resolves 1989 c. 59 (Appendix A), which required the Commission to "... study the existing method of election financing and explore alternative mechanisms for the public financing of any primary, general or special election for state or county offices"

The Commission's members are

Sen. John E. Baldacci
Sen. Pamela L. Cahill
Sen. Robert G. Dillenback
Sen. Zachary E. Matthews
Rep. Philip C. Jackson
Rep. Mark W. Lawrence
Rep. Joseph W. Mayo
Rep. Charles R. Priest, Chair
Rep. Helen M. Tupper
David Emery
Edward S. O'Meara
Richard Pierce
Karen Stram

Resolves c. 59 required the Commission to submit an interim report by December 1, 1989, to the 114th Legislature's Second Regular Session and a final report by December 1, 1990, to the First Regular Session of the 115th Legislature. The Commission submits this report in satisfaction of its final reporting requirement.

During its first year, the Commission focused on the existing method for financing Maine gubernatorial races and the proposal for public financing of gubernatorial races put forward as a referendum in the November 1989 election. The Commission's interim report examined data regarding the 1986 gubernatorial election and found insufficient evidence to support the establishment of a system of public financing for Maine gubernatorial campaigns. The interim report also found that inadequate information existed to determine whether public financing of other state elections is merited.

During its second year, the Commission concentrated on the existing method for financing Maine House of Representatives and Senate races. The Commission developed a case study to analyze recent election trends in Maine House and Senate races, because the nature and size of the data base and the limited resources available to the Commission did not permit an analysis of all races. Although the case study is not statistically valid, it presented the Commission with a good picture of recent trends in legislative campaign financing.

This final report contains information on the case study the Commission developed and used to consider legislative campaign financing issues, as well as the Commission's final findings and recommendations regarding legislative campaign financing and other aspects of the State's system for regulating campaign finances.

The Commission found that there have been no marked increases or decreases in the relative influence of a particular type of campaign contributor or expenditure on Maine legislative races. On average, the amount contributed to and spent on Maine legislative campaigns appears to have increased steadily over the time period studied. While on average, the campaign financing picture has remained relatively unchanged, the picture varied considerably district-by-district and year-by-year. The manner in which campaign financing information has been compiled to date makes data analysis extremely difficult and thus hinders informed public policy judgments. One aberration in Maine's campaign financing laws is that Maine appears to be the only state which does not require registration and reporting by political action committees which are not organized in this State.

The Commission recommends:

1. That increased resources be made available to the Commission on Governmental Ethics and Election Practices to enhance and facilitate the analysis of reported campaign financing information; and
2. That out-of-state political action committees be required to register and report their activities in Maine.

I. Background

A. The Commission's First-Year Analysis of Gubernatorial Campaign Financing.

The Commission devoted the first year of its study to issues regarding public financing of the State's gubernatorial race. The Commission's interim report¹, details the focal points of the Commission's inquiry, which included:

- analysis of the public financing scheme for financing state gubernatorial races proposed as question #1 on the November 7, 1989 ballot;
- examination of data, compiled by Maine Common Cause, regarding campaign contributions and expenditures during the 1986 gubernatorial race; and
- study of public financing systems at work in other states, as well as the federal campaign financing system for funding Presidential races, to ascertain the strengths and weaknesses of different models for public financing of state elections.

The Commission recommended that no substantial changes in the State's campaign financing policy be made in light of the following interim findings:

1. There is insufficient evidence to support establishment of a system for publicly financing Maine gubernatorial elections at this time, especially in light of voter rejection of this proposal at referendum on the November ballot;
2. The public financing scheme proposed by Maine Common Cause, see LD 256, An Act to Limit Spending and Contributions in Campaigns for Governor, 114th Legislature, First Regular Session, is not workable and would require substantial amendment to make it so; and
3. Inadequate information exists at this time to determine whether public funding of other state elections is merited or whether changes to the State's campaign financing laws are needed.

1. Interim Report of the Commission to Study Public Financing of State Elections, December, 1989.

B. The Commission's Second-Year Analysis of Legislative Campaign Financing

The Commission concluded its first year business by directing its staff to carry out a case study to analyze in detail campaign financing information for several state Senate and House districts. The purpose of this case study was to give the Commission a basis for gauging whether there are observable trends in how Maine legislative campaigns are financed that could or should be corrected either with establishment of a public financing system or by other legislative action.

Discussion of the case study formed the core of the Commission's second year efforts and, as a result, is the focus of this final report.²

-
2. The Commission also reviewed changes to Maine's campaign financing laws enacted during the 2nd Regular Session of the 114th Legislature, proposed Congressional campaign reforms pending in Congress and a recent U.S. Supreme Court decision, Austin v. Michigan Chamber of Commerce, No. 88-1569, 58 USLW 4371 (Mar. 27, 1990), regarding state limits on corporate campaign contributions. These developments were reviewed as possible models if relevant legislative action appeared warranted.

II. The Commission's Findings and Recommendations Regarding Legislative Campaigns

A. Maine House and Senate Campaign Financing Case Study

The full text of the case study, examining campaign financing in six Senate and six House districts, is included as Appendix B. The purpose of this section is to summarize the case study methodology and the conclusions the Commission derived from the study.

The Commission chose the case study method in recognition of the fact that the costs, in time and resources, of doing analysis of campaign data in all legislative districts, or a statistically significant number of them, were prohibitive. In an effort to separate possible trends from aberrations, the Commission selected the three Senate and three House districts with the greatest campaign spending in 1988, and the three Senate and three House districts at and closest to the median in terms of expenditures in 1988, to examine in its case study.

The data used was information reported by candidates on forms required to be filed under 21-A MRSA c. 13. Reports for 1984, 1986 and 1988, for each primary and general election candidate, were examined. Reports prior to 1984 are no longer available. Data was aggregated by district. In other words, expenditure and contribution totals used in the study reflect spending and receipts by all candidates in a given district in a given election year. See Appendix B for more details regarding study methodology.

The study analyzes the following categories of contributors:

1. National PACs;
2. Maine PACs;
3. Businesses and labor organizations;
4. Political parties;
5. Individual contributions greater than \$50; and
6. The total of individual contributions of less than \$50.

The study analyzes the following categories of expenditures:

1. Electronic media (T.V. and radio ads);
2. Print media (e.g., newspaper ads);
3. Direct mail (cost of mailings);
4. Printing; and
5. Miscellaneous (cost of special events, hardware and numerous other items).

The study shows, as a percentage of the total, the amount spent on or contributed by each of these categories.

The case study examines spending and contributions district-by-district, year-by-year, and, in addition, provides information on averages for all districts studied in each of the three election years analyzed.

Appendix C contains 1990 campaign information for the case study districts through the 42-Day Post Primary Report period.

B. Commission Findings

The Commission reviewed and discussed the case study and preliminary staff findings at a meeting on June 21, 1990.³ Commissioners agreed that, although the case study cannot provide a statistically valid basis for general conclusions, the study does provide a reasoned basis for judgment regarding Maine's system of financing legislative campaigns. Commissioners noted the lack of any other compilation of Maine campaign financing data on which to base future legislative or regulatory judgments as an issue requiring attention. See Recommendation 2, below.

Based on its review of the case study and discussions, the Commission arrives at the following conclusions.

1. There have been no marked increases or decreases in the relative influence of a particular type of campaign contributor or expenditure on Maine legislative races. On average, there has been no significant change in the percentage contributed by a particular category of contributor or expended on a particular type of campaign tool. See Appendix B, Figures 3 and 4. The Commissioners note, in particular, that the study shows no marked growth in the percentage of the campaign expenditures for electronic media (television and radio ads), an expenditure of particular concern to the Commission.
2. On average, the amount contributed to and spent on Maine legislative campaigns appears to have increased steadily. However, the Commission concludes that this increase does not merit stricter limits on campaign contributions or establishment of a public financing system at this time.

³ The full text of the study is included at Appendix B. The reader may wish to consult the Appendix for specific, factual findings regarding the categories studied.

The voters' rejection of such a plan for gubernatorial races, in which spending has increased more dramatically, indicates that public support for such a proposal is lacking. In addition, the Commission reasoned that even if additional spending limits were needed, a more comprehensive analysis of campaign financing in Maine is needed to provide an adequate factual basis for legislation.

3. While on average, the campaign financing picture has remained relatively unchanged, the picture varied considerably district-by-district, year-by-year. See Appendix B, Figures 5a and 5b (Senate) and Figures 6a and 6b (House). In short, individual campaigns are as varied, in terms of sources of funds and choices of campaign tactics (reflected by expenditures), as the individuals that ultimately serve in the Maine Legislature. The Commission concludes that this factor, in light of the available information, urges caution in making substantive changes to laws affecting campaign financing at this time.
4. The manner in which campaign financing information has been compiled to date makes data analysis extremely difficult and thus hinders informed public policy judgments. In the years since campaign finance reporting was first instituted, the reporting form has been changed several times making comparisons from one election to the next impossible. Some of the reporting categories have been ambiguous. Differing interpretations of what should be reported where have resulted in errors and inconsistencies which make comparisons troublesome even during the same reporting period. Forms submitted to the Commission on Governmental Ethics and Election Practices have been filed, but no attempt has been made until this past year to tabulate or computerize the information on the forms because of a lack of staff and computer resources. Computerization of data is absolutely necessary before any significant analysis can be done.
5. In the course of its discussion on study data regarding political action committees (PACs), the Commission was informed by staff of the Commission on Governmental Ethics and Election Practices that, unlike Maine-registered PACs, or national PACs (registered with the Federal Election Commission), out-of-state PACs which make contributions to Maine candidates or which spend money to influence referendum questions are not required to register with or report to Maine's Commission on Governmental Ethics and Election Practices. Maine law relating to political action committees, 21 MRSA c 13, sub-c. IV, applies only "... to the activities of political action committees organized in this State...." (emphasis added). According to information provided by the staff of the Commission on Governmental Ethics and Election Practices, most if not all other states require registration and reporting of out-of-state non-federal PACs.

C. Final Recommendations

The Commission makes no recommendation for legislation making a significant change in the State's campaign financing policy. As discussed above, available information regarding financing in Maine legislative races suggests no trends in financing practices that require legislative attention at this time.

RECOMMENDATION 1. The Commission recommends that the Legislature appropriate funds to provide the Commission on Governmental Ethics and Election Practices with adequate resources to facilitate the analysis of campaign financing data necessary for informed judgment in the future regarding the possible need for campaign financing reforms.

The analysis of the case study considered by the Commission was a limited example of the type of analysis of campaign data that could be conducted. While the Commission sees no need, at this point, for significant changes in campaign financing law, potential future problems cannot be identified and addressed unless decision makers have information in a form where it can be readily analyzed and the resources available to analyze it.

During the Second Regular Session of the 114th Legislature, two new staff positions were authorized for the Commission on Governmental Ethics and Election Practices. No new positions are sought at this time; however, the Ethics Commission has identified the need for additional computer resources to provide it the capacity to analyze reported information.

A breakdown of the estimated cost of this recommendation and the legislation to implement it is found in Appendix D.

RECOMMENDATION 2. The Commission recommends that out-of-state PACs with activity in Maine for the purpose of influencing the outcome of an election for a Maine elective office or a referendum question, be required to register with the Commission on Governmental Ethics and Election Practices and report their contributions or expenditures in the same manner as in-state PACs except that out-of-state PACs would not be required to report contributions to the PAC from sources outside of Maine.

The Commission believes that the lack of reporting by out-of-state PACs is at odds with the disclosure policy underlying the reporting requirements applicable to Maine PACs and candidates. The Commission concludes that the public is entitled to access to this information, which directly relates to forces at work in the State's political process and thus out-of-state PACs should be required to

report their Maine-related financial activities. The Commission recommends not mandating the reporting by out-of-state PACs of contributions from nonMaine sources because of the burden that would place on PACs which conduct activities in many states and receive numerous contributions from sources outside of Maine that are unrelated to any election or referendum question in Maine.

Legislation to implement this recommendation is located in Appendix E.

APPENDIX A

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-NINE
—

H.P. 653 - L.D. 887

Resolve, to Create the Commission to Study Public
Financing of State Elections

Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is necessary for this study to begin during the summer in order to be completed; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Commission established; study. Resolved: That there is established the Commission to Study Public Financing of State Elections. The commission shall study the existing method of election financing and explore alternative mechanisms for the public financing of any primary, general or special election for state or county offices; and be it further

Membership; appointment; chair. Resolved: That the commission shall be comprised of the following 13 members to be appointed within 30 days of the effective date of this resolve: six Legislators, 3 of whom shall be Senators to be appointed by the President of the Senate and 3 of whom shall be members of the House of Representatives to be appointed by the Speaker of the House of Representatives; 6 members to be appointed by the Governor; and one member to be appointed jointly by the President of the Senate and the Speaker of the House of Representatives, who shall serve as chair of the commission; and be it further

Compensation. Resolved: That the members of the commission who are Legislators shall receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for days in attendance at commission meetings. All members of the commission shall receive reimbursement for expenses upon application to the Legislative Council; and be it further

Staff assistance. Resolved: That, if assistance is desired, the commission may request necessary staff assistance from the Legislative Council, except that the Legislative Council shall not provide staff assistance during the second regular session of the 114th Legislature; and be it further

Report. Resolved: That the commission submit an interim report to the 114th Legislature by December 1, 1989, and a final report, together with any necessary implementing legislation to the First Regular Session of the 115th Legislature by December 1, 1990; and be it further

Appropriation. Resolved: That the following funds are appropriated from the General Fund to carry out the purposes of this resolve.

1989-90

LEGISLATURE

Study Commissions - Funding

Personal Services	\$3,960
All Other	\$11,400

Provides funds for legislative per diem, meetings and related expenses of the Commission to Study Public Financing of State Elections. These funds shall carry forward to June 30, 1991.

LEGISLATURE

TOTAL	<u>\$15,360</u>
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Emergency clause. In view of the emergency cited in the preamble, this resolve shall take effect when approved.

APPENDIX B

INTRODUCTION

The purpose of this case study is to examine if and why costs are rising in state legislative races. The study is meant to identify trends regarding:

- (a) contributions from PACs;
- (b) expenditures for media coverage, especially political advertising on television;
- (c) expenditures on direct mail;
- (d) contributions from corporate sources; and
- (e) large contributions from individuals.

The case study looks at six house and six senate districts. Those districts are the three house and three senate districts with the highest aggregate expenditure of campaign funds in 1988, and the three house and three senate districts at the median in terms of aggregate campaign expenditures in 1988. The districts selected represent a number of different geographic areas of the State. Those districts have been characterized as urban or rural. See page 3.

The data analyzed in the study is aggregated and the identities of candidates and the districts involved masked to further the Commission's bipartisan objectives and in recognition of the fact that campaign spending is in fact a district-by-district phenomenon.

The case study examines contributions from the following sources: PACs (both Maine registered and nationally registered), business organizations, political parties, and individuals divided into contributions over and under \$50. The case study also examines expenditures for the following: media coverage (television and print), direct mail, printing and miscellaneous.

The following section describes the methodology used in compiling and analyzing this campaign financing data.

Staff urges Commission members to note that, because this is a case study, the findings arrived at are descriptive, rather than representative in a statistical sense, of trends in financing Maine's legislative races.

METHODOLOGY

Data Collection

Data used in this study was taken from the campaign financing reports candidates for the house and senate are required to file under 21-A MRSA c. 13. Reports for 1984, 1986 and 1988 were examined for every candidate who filed in each of the 6 house and 6 senate districts studied. Reports filed prior to 1984 are no longer available.

The data, reported contributions and expenditures, was recorded under one of the categories selected for examination. The contributions categories, which characterize sources of candidates' campaign funds, are the following:

- (1) National PACs;
- (2) Maine PACs;
- (3) Businesses and corporations;
- (4) Political parties;
- (5) Individual contributions greater than \$50; and
- (6) Individual contributions less than or equal to \$50.

The expenditures categories, which characterize how candidates chose to spend campaign funds, are the following:

- (1) Electronic media;
- (2) Print media;
- (3) Direct mail;
- (4) Printing; and
- (5) Miscellaneous.

These categories were selected by the Commission so that the case study would provide information on contribution and expenditure trends in particular areas and the relative influence of particular types of expenditures or contributions in State legislative races.

At the request of the Commission, OPLA staff devised several rules for categorizing contributions and expenditures to avoid distortion of the financial picture by double counting of funds disbursed through a "leadership PAC", a political action committee under the control of a house or senate member who is also a member of a political party's leadership in either legislative body. Those rules are these:

- (1) A contribution from a candidate's own PAC to that same candidate is not counted;
- (2) A contribution from a leadership PAC to another candidate is treated as a contribution from a Maine PAC;
- (3) An expenditure to a candidate's own PAC or to another candidate, political committee or party committee is not counted. (These transactions are picked up as contributions.)

Two additional collation rules were used:

- (1) Contributions from a candidate (as an individual) to that candidate or that candidate's campaign committee were treated as any other contribution from an individual; and
- (2) Contributions from labor organizations were aggregated with those from corporations and other business entities on the basis of similarity of issues of concern.

Reported information was recorded on the basis of information provided by the candidate's campaign finance report form describing the nature of the contribution or expenditure.

Data Entry and Compilation

Two sets of Lotus 1-2-3 worksheets were created for data compilation, 1 for expenditures and 1 for contributions. The worksheets were designed to facilitate analysis by district by year. Individual itemized expenditures and contributions were entered into the worksheets from the data collection sheets.

Individual candidate data can not be retrieved from the computer worksheets. Contributions of less than \$50 were entered in the aggregate. An average contribution for the under \$50 category can, therefore, not be calculated.

Upon completion of data entry, summary tables were generated in Lotus 1-2-3. Calculations were performed to adjust 1986 and 1988 figures for inflation, presenting expenditures and contributions in 1984 dollars.

All graphs were generated using Lotus 1-2-3 and Allways software.

Categorization of Case Study Districts

Urban: A district is defined as urban if it contains a city or part of a city with a population greater than 20,000.

Rural: A district is defined as rural if it does not contain a city or a part of a city with a population greater than 20,000.

	<u>Senate</u>	<u>House</u>
High	A Rural	A Rural
	B Urban	B Rural
	C Urban	C Urban
Median	D Rural	D Rural
	E Rural	E Rural
	F Urban	F Rural

SUMMARY OF FINDINGS: EXPENDITURES

Overall Findings in Case Study Districts

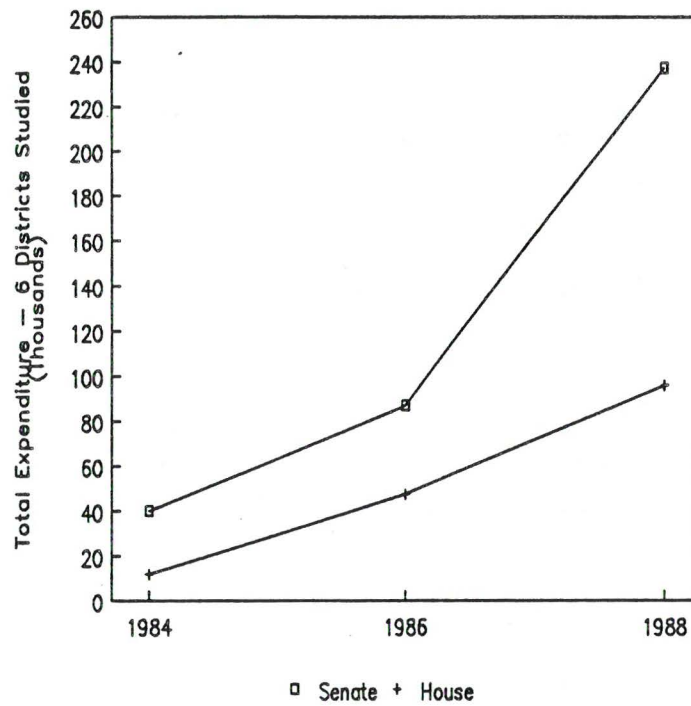
- Table 1 provides a summary of expenditures totalled for the 6 senate districts and for the 6 house districts. Average district expenditures are also presented.
- Expenditures in the six senate districts studied increased steadily. A six district total expenditure of \$86,910 in 1986 represents a 117% increase over 1984 spending, \$40,058. The six district total for 1988 was \$237,460, a 173% increase over 1986. (see Figure 1)
- Expenditures in the 6 house districts studied also increased steadily. Between 1986 and 1988, spending increased by 102%, from \$47,331 to \$95,772.
- Expenditures by house candidates were consistently lower than expenditures by senate candidates.
- For each of the 6 senate districts studied, and in all but 2 of the house districts studied, 1988 was the year of highest campaign expenditure. Two of the 6 house districts studied had greater spending in 1986. (Figures 2a & 2b)
- Expenditures for each of the 6 house and 6 senate districts studied closely mirror reported contributions for those districts. This indicates substantial amounts were not carried over from one campaign to another and that candidates did not end their campaigns with a deficit.

Table 1. SUMMARY OF EXPENDITURES BY TYPE - 1984, 1986, 1988

Maine Senate - 6 Districts Totalled						
	Mprint	Melec	Mail	Print	Misc.	Totals
1984	\$5,180	\$1,449	\$5,679	\$11,820	\$15,930	\$40,058
1986	\$7,995	\$14,920	\$13,170	\$27,064	\$23,761	\$86,910
1988	\$25,977	\$42,009	\$35,044	\$46,910	\$87,503	\$237,443
Maine House - 6 Districts Totalled						
	Mprint	Melec	Mail	Print	Misc.	Totals
1984	\$1,546	\$456	\$2,606	\$3,331	\$3,808	\$11,747
1986	\$5,835	\$4,060	\$8,969	\$13,477	\$14,990	\$47,331
1988	\$14,095	\$5,138	\$22,305	\$27,122	\$27,112	\$95,772
Maine Senate - 6 District Average						
	Mprint	Melec	Mail	Print	Misc.	Totals
1984	\$863	\$242	\$947	\$1,970	\$2,655	\$6,676
1986	\$1,333	\$2,487	\$2,195	\$4,511	\$3,960	\$14,485
1988	\$4,330	\$7,002	\$5,841	\$7,818	\$14,584	\$39,574
Maine House - 6 District Average						
	Mprint	Melec	Mail	Print	Misc.	Totals
1984	\$258	\$76	\$434	\$555	\$635	\$1,958
1986	\$973	\$677	\$1,495	\$2,246	\$2,498	\$7,889
1988	\$2,349	\$856	\$3,718	\$4,520	\$4,519	\$15,962

* In 1984 dollars, 1986 & 1988 expenditures adjusted for inflation.

Figure 1. CAMPAIGN EXPENDITURES: TOTALS FOR CASE STUDY DISTRICTS
Maine Senate / Maine House



* In 1984 dollars, 1986 & 1988 expenditures adjusted for inflation.

Figure 2a. CAMPAIGN EXPENDITURES 1984, 1986, 1988*
Maine Senate - 6 Districts

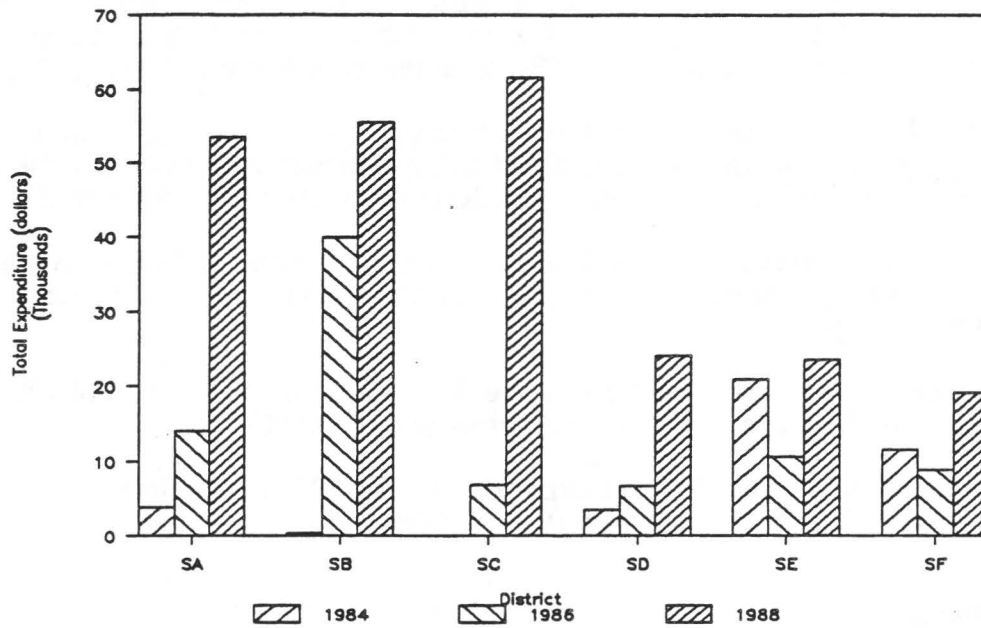
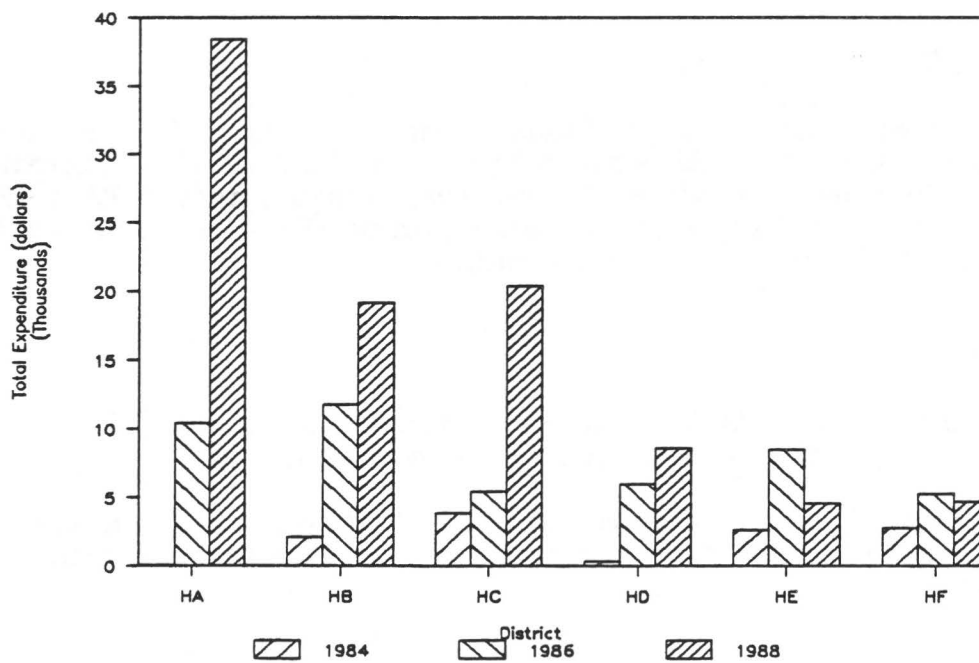


Figure 2b. CAMPAIGN EXPENDITURES 1984, 1986, 1988*
Maine House - 6 Districts



* In 1984 dollars, 1986 & 1988 expenditures adjusted for inflation.

Expenditures by Type

Electronic Media

- From 1984 to 1986, the percent of campaign funds spent for electronic media in the districts studied rose from 3.6% to 17.2% for senate candidates and from 3.9% to 8.6% for house candidates. (Figures 3 & 4)
- From 1986 to 1988, the percent of campaign funds being spent on electronic media in the districts studied increased slightly for senate candidates, 0.4%, and for house candidates declined from 8.6% to 5.4%.
- Although changes in spending on electronic media relative to other expenditures appear modest, total dollars spent increased substantially.
- In 1986 senate candidates from the 6 study districts spent \$14,920 on TV and radio advertising; in 1988, they spent \$42,009.
- House candidates increased expenditures on TV and radio advertising from \$4,060 to \$5,138 between 1986 & 1988.

Print Media

- From 1984 to 1986, the percent of campaign funds being spent for print media in the districts studied declined from 12.9% to 9.2% for senate candidates and from 13.2% to 12.3% for house candidates.
- From 1986 to 1988, the percent of campaign funds being spent on print media in the districts studied increased slightly.

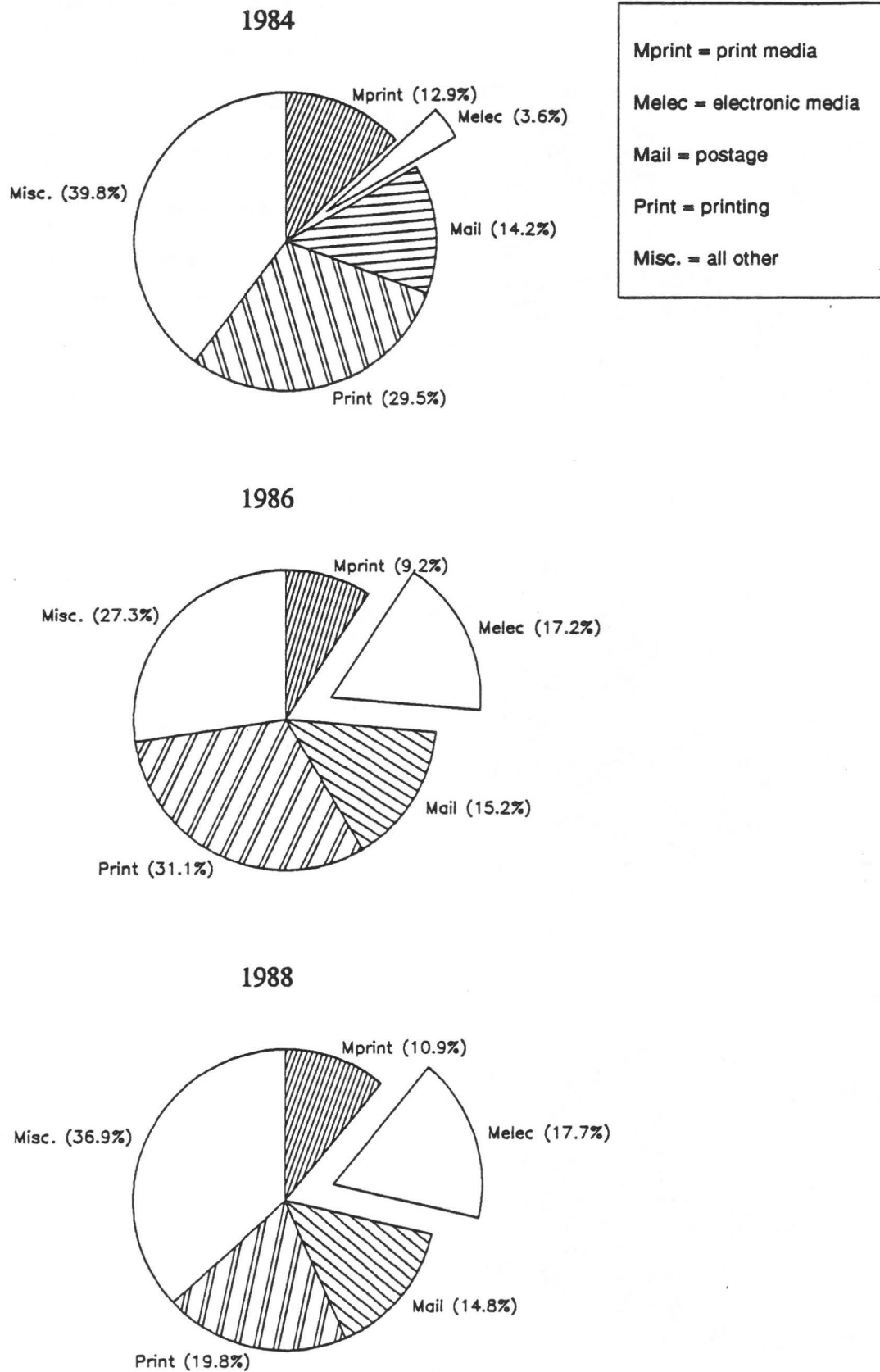
Direct Mail

- The percent of campaign funds spent on mailings in the senate districts studied varied between 14.2% and 15.2 % for the 3 campaign years for senate candidates. Mailing costs (ranging from 18.9% in 1986 to 23.3% in 1988) represented a larger portion of total expenditures for house candidates in the districts studied.

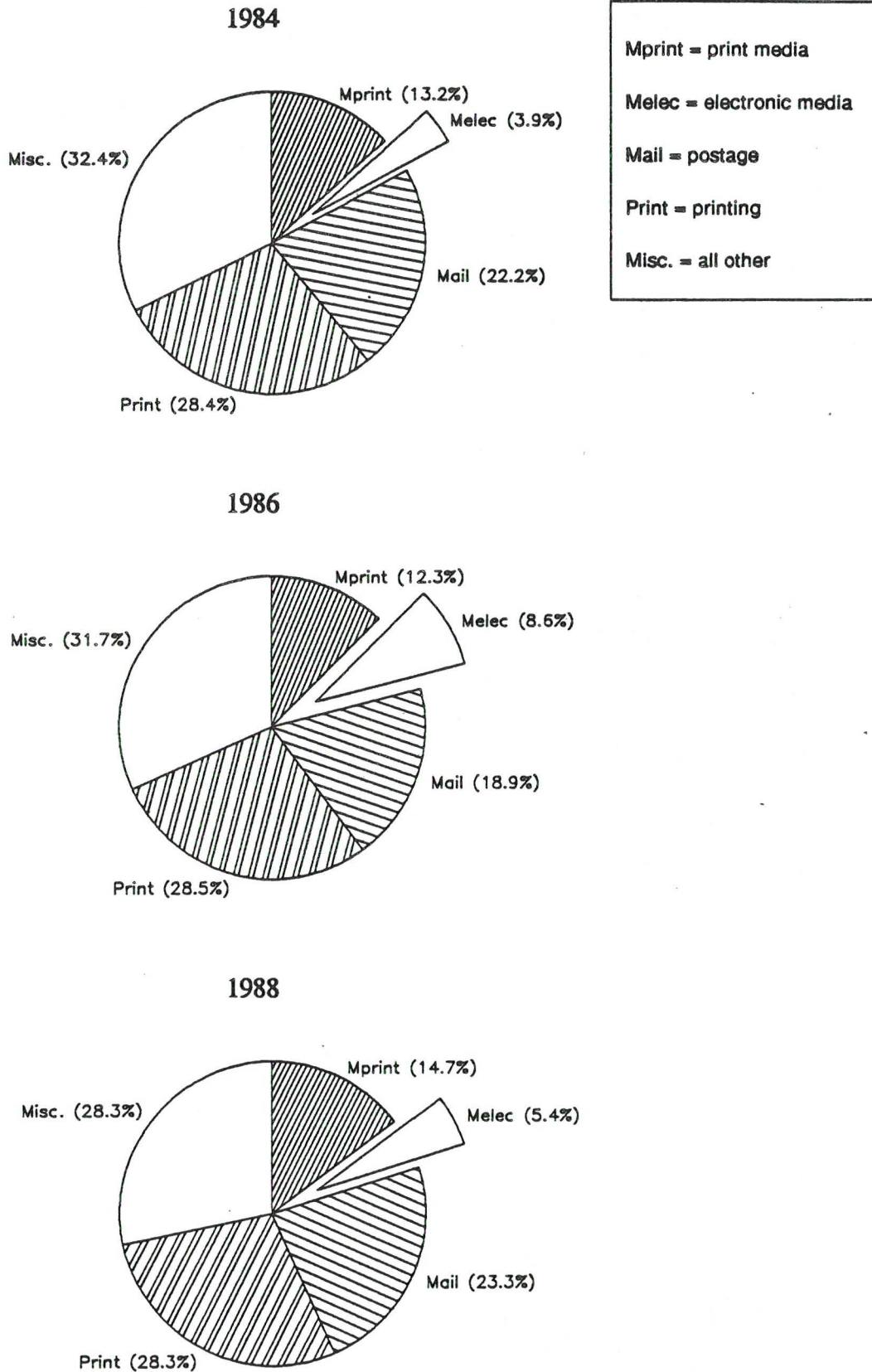
Printing

- For the 6 senate districts studied, printing costs represented 31.1% of total expenditures in 1986 and declined to 19.8% in 1988.
- For the 6 house districts studied, printing costs represented approximately 28% of total expenditure for each of the 3 campaign years.

**Figure 3. CAMPAIGN EXPENDITURES – TYPE AS % OF TOTAL
Maine Senate – 6 Districts Totalled**



**Figure 4. CAMPAIGN EXPENDITURES – TYPE AS % OF TOTAL
Maine House – 6 Districts Totalled**



- Of the 4 discrete expenditure categories, printing represented the largest percent of total expenditure for both the house districts and senate districts studied for each of the 3 years studied.

Miscellaneous

- The miscellaneous category accounted for between 27 and 40% of expenditures in the districts studied. This category included everything from payment to grange halls for public suppers to hardware stores for sign posts. Also included within this category are contributions made by a candidate, or candidate's PAC, to another candidate.

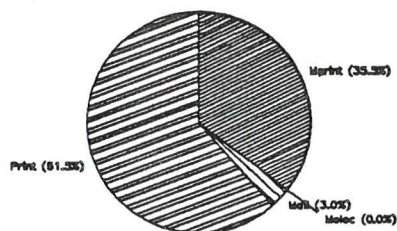
More detail by district

- The breakdown of expenditures by type for each district varies markedly. (see figures 5a & 5b and 6a & 6b)
- In 1984 only 2 senate districts and 2 house districts had itemized expenditures for electronic media. In 1986, 5 of the 6 house districts had electronic media expenses. All 6 senate districts reported expenditures for electronic media with the relative amount ranging from 2.3% to 28 % of total expenditures.
- The highest reported district expenditure for electronic media was for district B in 1988. An expenditure of over \$23,000 represented 39% of the district's total campaign expenditure.
- Year to year variations in relative expenditure by type may reflect disproportionate increases in unit costs as well as changes in campaign style.

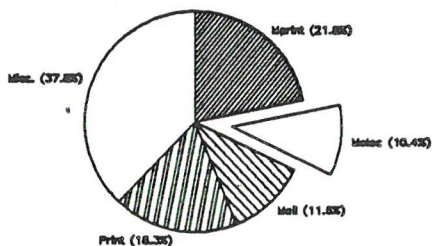
Figure 5a. CAMPAIGN EXPENDITURES - TYPE AS % OF TOTAL
Maine Senate - Districts A, B & C By Year

District A

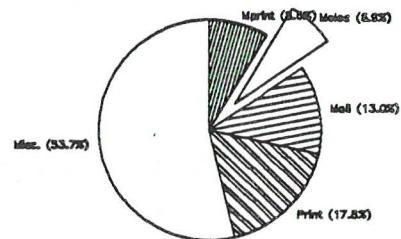
1984



1986

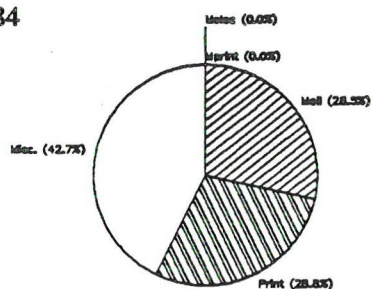


1988

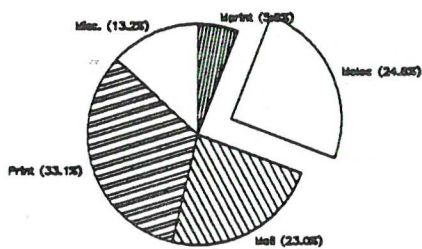


District B

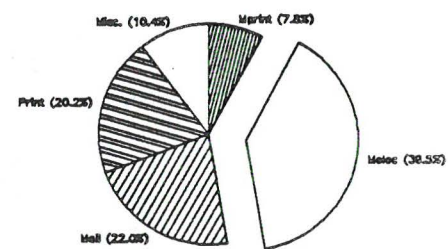
1984



1986



1988

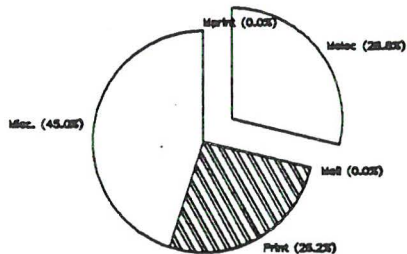


District C

1984

No expenditure reports filed.

1986



1988

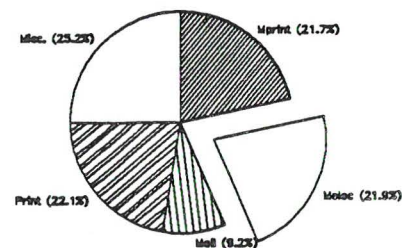
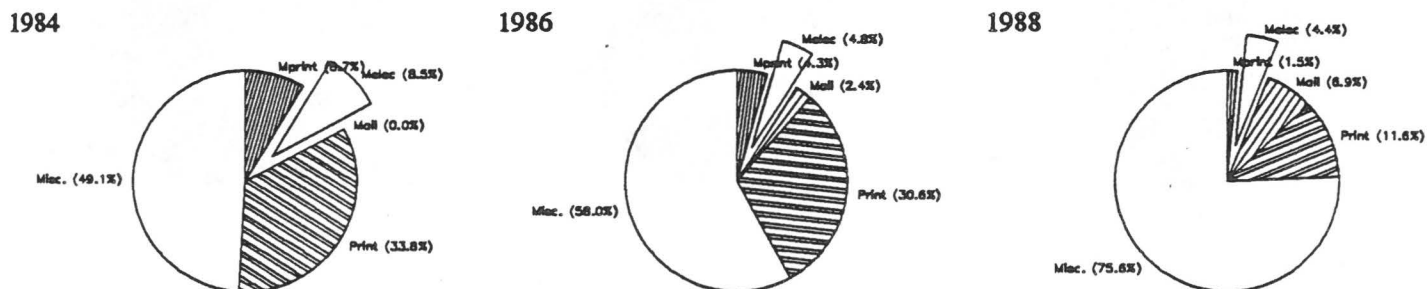
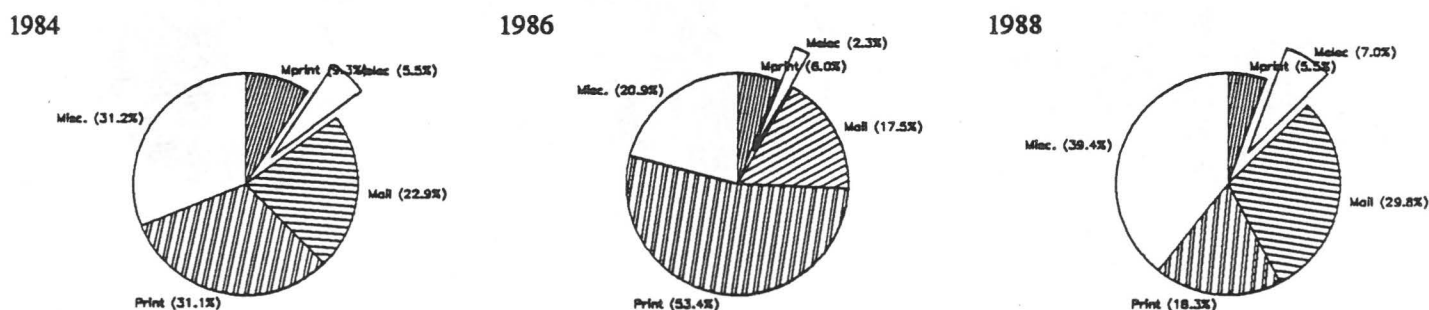


Figure 5b. CAMPAIGN EXPENDITURES - TYPE AS % OF TOTAL
Maine Senate - Districts D, E & F By Year

District D



District E



District F

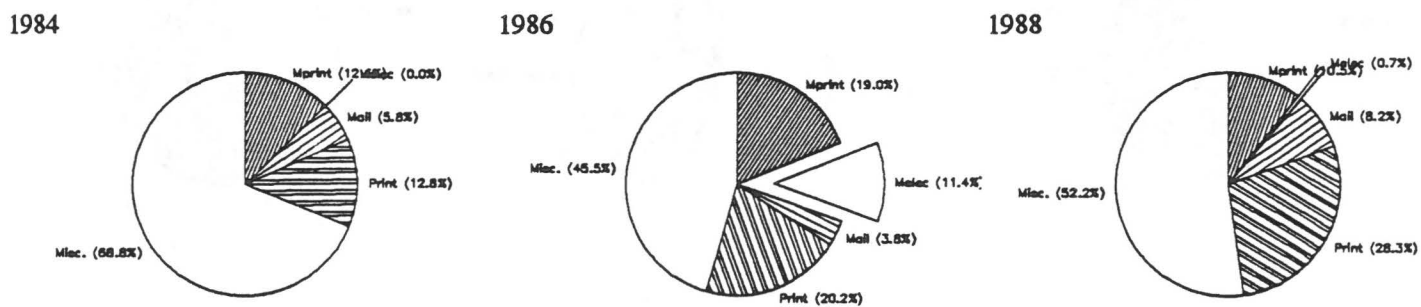
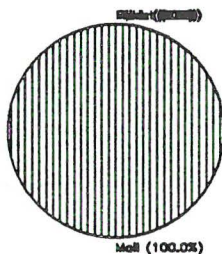


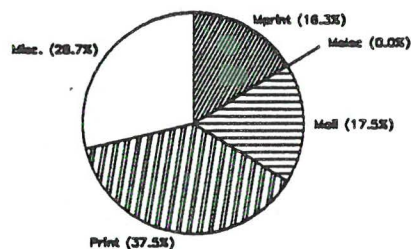
Figure 6a. CAMPAIGN EXPENDITURES - TYPE AS % OF TOTAL
Maine House - Districts A, B & C By Year

District A

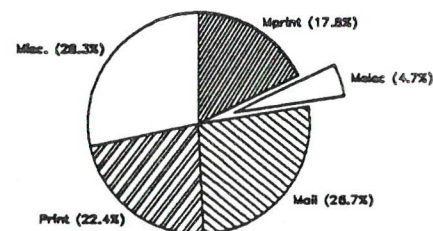
1984



1986

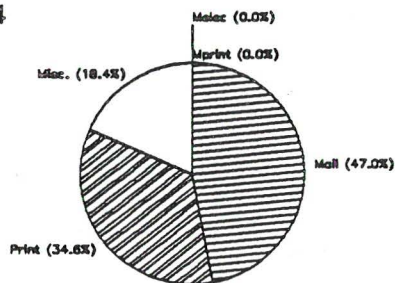


1988

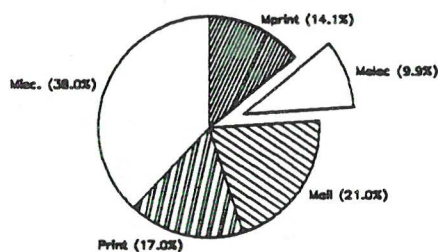


District B

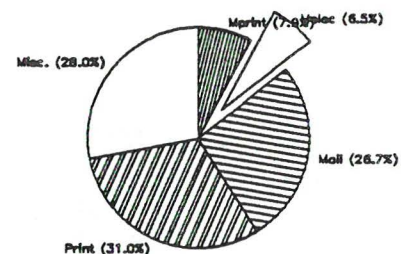
1984



1986

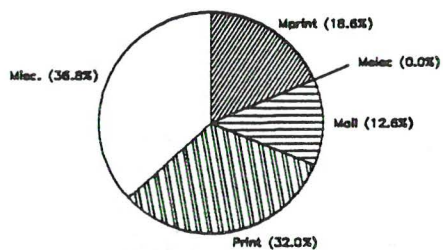


1988

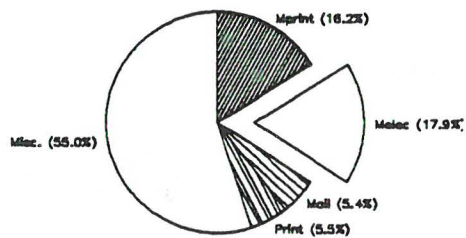


District C

1984



1986



1988

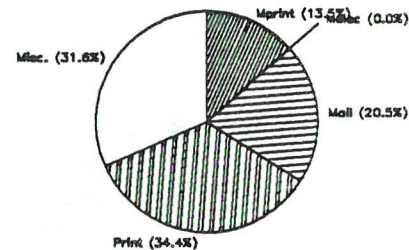
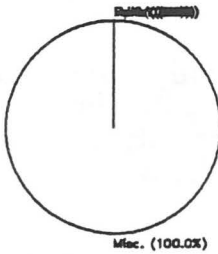


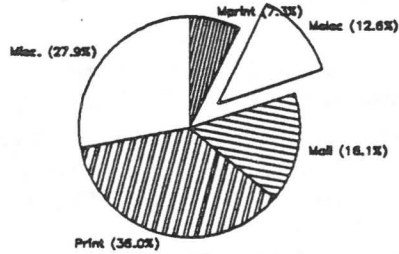
Figure 6b. CAMPAIGN EXPENDITURES - TYPE AS % OF TOTAL
Maine House - Districts D, E & F By Year

District D

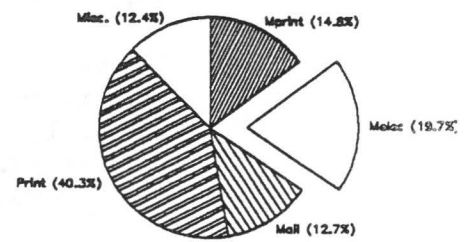
1984



1986

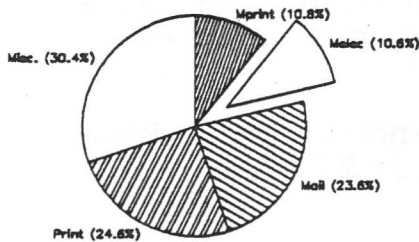


1988

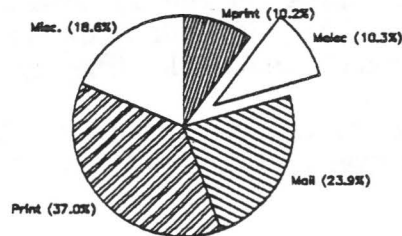


District E

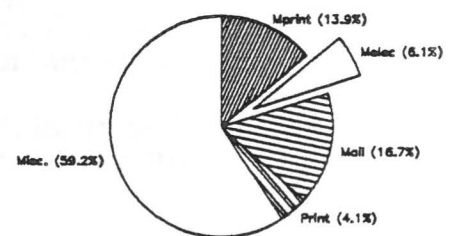
1984



1986

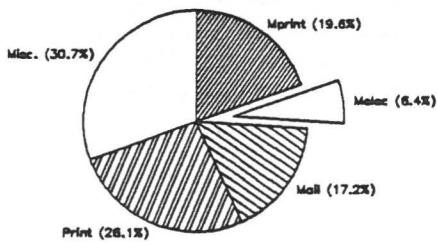


1988

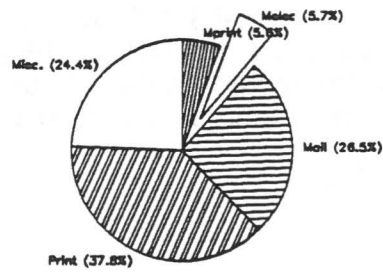


District F

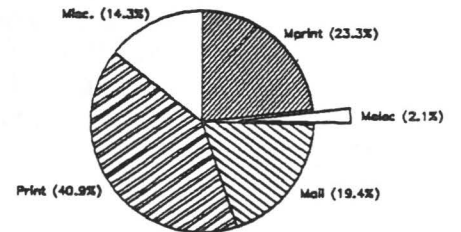
1984



1986



1988



SUMMARY OF FINDINGS: CONTRIBUTIONS

Overall Findings in Case Study Districts

- Table 2 provides a summary of contributions for the 6 districts totalled, senate and house. District averages by type of contribution are also presented.
- In all 6 senate districts and in 4 house districts, total contributions were highest in 1988. In 2 house districts contributions were highest in 1986. (Figures 7a & 7b)
- Between 1986 and 1988, 3 senate districts roughly doubled contributions, the remaining 3 districts increased contributions by 147%, 186% and 906%. A five-fold increase in contributions was experienced by 1 house district studied. The other 5 saw percent changes ranging from -40 to +283%. (Table 3)
- Contributions reported for 1984 may be inaccurately low. Candidates used a different report form than that used in 1986 and 1988. Also, 3 candidates failed to submit reports for 1984. (Table 4)

Contribution by Type

- Totalling contributions for the 12 districts studied (6 senate and 6 house) by type for 1984, '86 & '88 indicates that the relative importance of contributors has changed little. (Figures 8 & 9)
- The variability in the relative importance of contributors in individual districts is much greater. (Figures 10a & 10b and 11a & 11b)

National PACs

- Contributions from national PACs to the 6 senate districts studied rose from a total of \$1,050 in 1984 to \$7,900 in 1988. However, national PAC contributions as a percent of total contributions rose only from 2.9% to 3.6%.
- Contributions from national PACs to house candidates in the study districts rose from a total of \$100 in 1984 to \$1,309 in 1988. In 1986 national PACS represented 2.9% of total contributions to the 6 districts. 1988 contributions by national PACS represented only 1.6% of the districts' total.

Table 2. SUMMARY OF CONTRIBUTIONS BY TYPE - 1984, 1986, 1988

Maine Senate - 6 Districts Totalled

	PacN	PacME	Corp	Party	I >\$50	I <=\$50	Totals
1984	\$1,050	\$8,115	\$4,575	\$2,500	\$10,677	\$9,763	\$36,680
1986	\$1,953	\$17,809	\$6,491	\$2,384	\$35,977	\$15,094	\$79,613
1988	\$7,900	\$57,494	\$34,191	\$12,380	\$80,394	\$29,021	\$221,380

Maine House - 6 Districts Totalled

	PacN	PacME	Corp	Party	I >\$50	I <=\$50	Totals
1984	\$100	\$1,798	\$600	\$2,111	\$2,282	\$2,086	\$8,977
1986	\$1,048	\$5,586	\$6,453	\$7,836	\$11,056	\$4,625	\$36,605
1988	\$1,309	\$15,055	\$2,389	\$10,749	\$36,906	\$17,776	\$84,184

Maine Senate - 6 District Average

	PacN	PacME	Corp	Party	I >\$50	I <=\$50
1984	\$175	\$1,353	\$763	\$417	\$1,780	\$1,627
1986	\$326	\$2,968	\$1,082	\$397	\$5,996	\$2,516
1988	\$1,317	\$9,582	\$5,699	\$2,063	\$13,399	\$4,837

Maine House - 6 District Average

	PacN	PacME	Corp	Party	I >\$50	I <=\$50
1984	\$17	\$300	\$100	\$352	\$380	\$348
1986	\$175	\$931	\$1,076	\$1,306	\$1,843	\$771
1988	\$218	\$2,509	\$398	\$1,792	\$6,151	\$2,963

* In 1984 dollars, 1986 & 1988 expenditures adjusted for inflation

Figure 7a. CAMPAIGN CONTRIBUTIONS 1984, 1986, 1988*
Maine Senate – 6 Districts

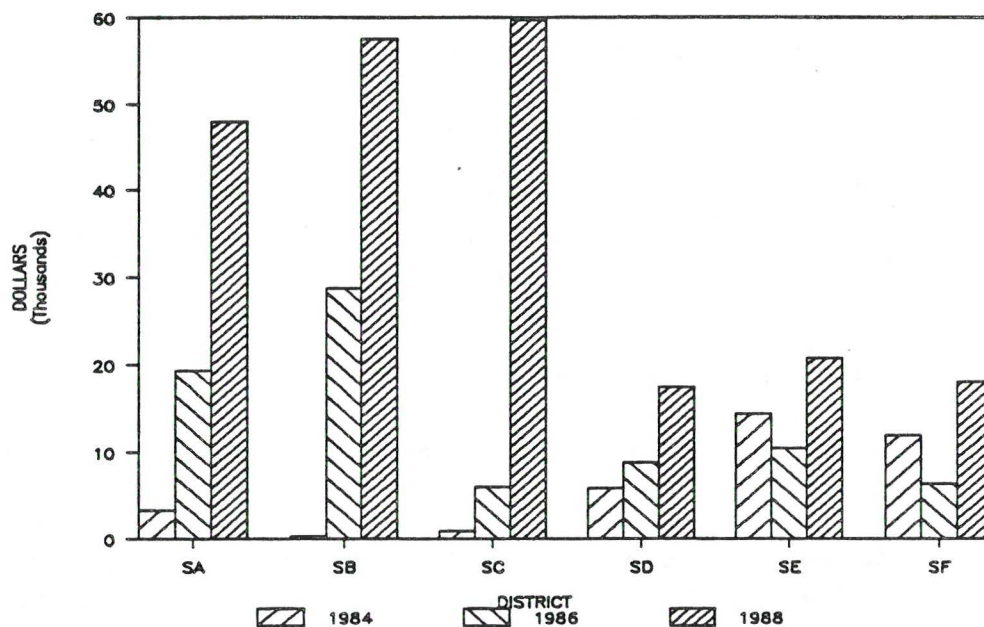
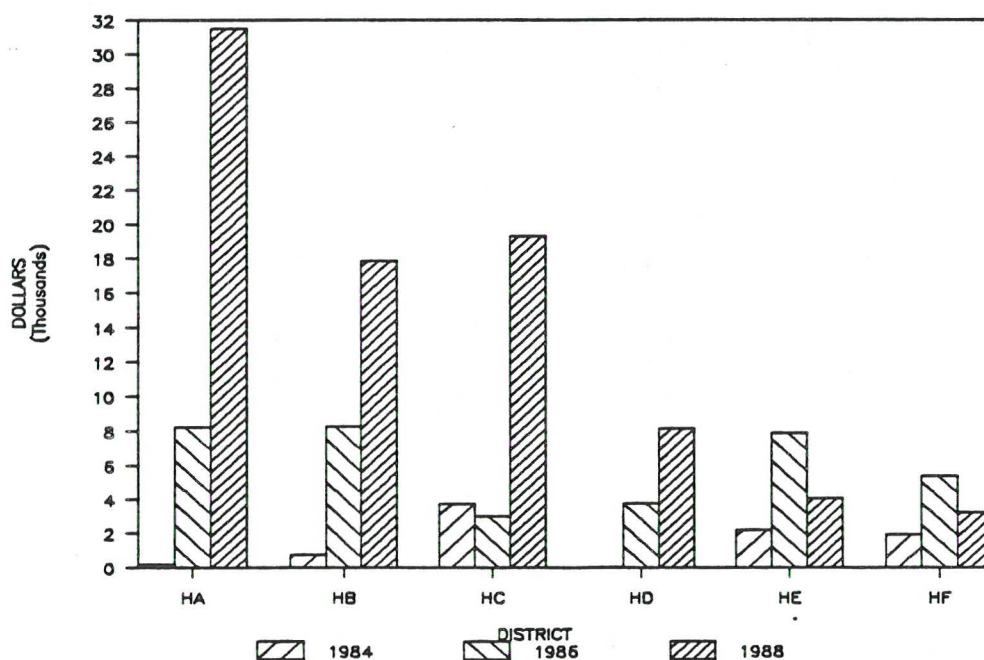


Figure 7b. CAMPAIGN CONTRIBUTIONS 1984, 1986, 1988*
Maine House – 6 Districts



* In 1984 dollars, 1986 & 1988 contributons adjusted for inflation.

**Table 3: PERCENT CHANGE IN TOTAL CONTRIBUTIONS 1986 TO 1988
BY DISTRICT**

<u>District</u>	<u>Senate</u>	<u>House</u>
A	147.4%	282.9%
B	100%	115.6%
C	906%	540.8%
D	98%	116.1%
E	99%	-48.3%
F	186%	-39.7%

**Table 4: PERCENT CHANGE IN TOTAL CONTRIBUTIONS 1984 TO 1988
BY DISTRICT**

<u>District</u>	<u>Senate</u>	<u>House</u>
A	490%	4013%
B	9648%	975%
C	559%	-20%
D	51%	6785%
E	-2%	253%
F	-47%	176%

Figure 8. CAMPAIGN CONTRIBUTIONS - TYPE AS % OF TOTAL
Maine Senate - 6 Districts Totalled

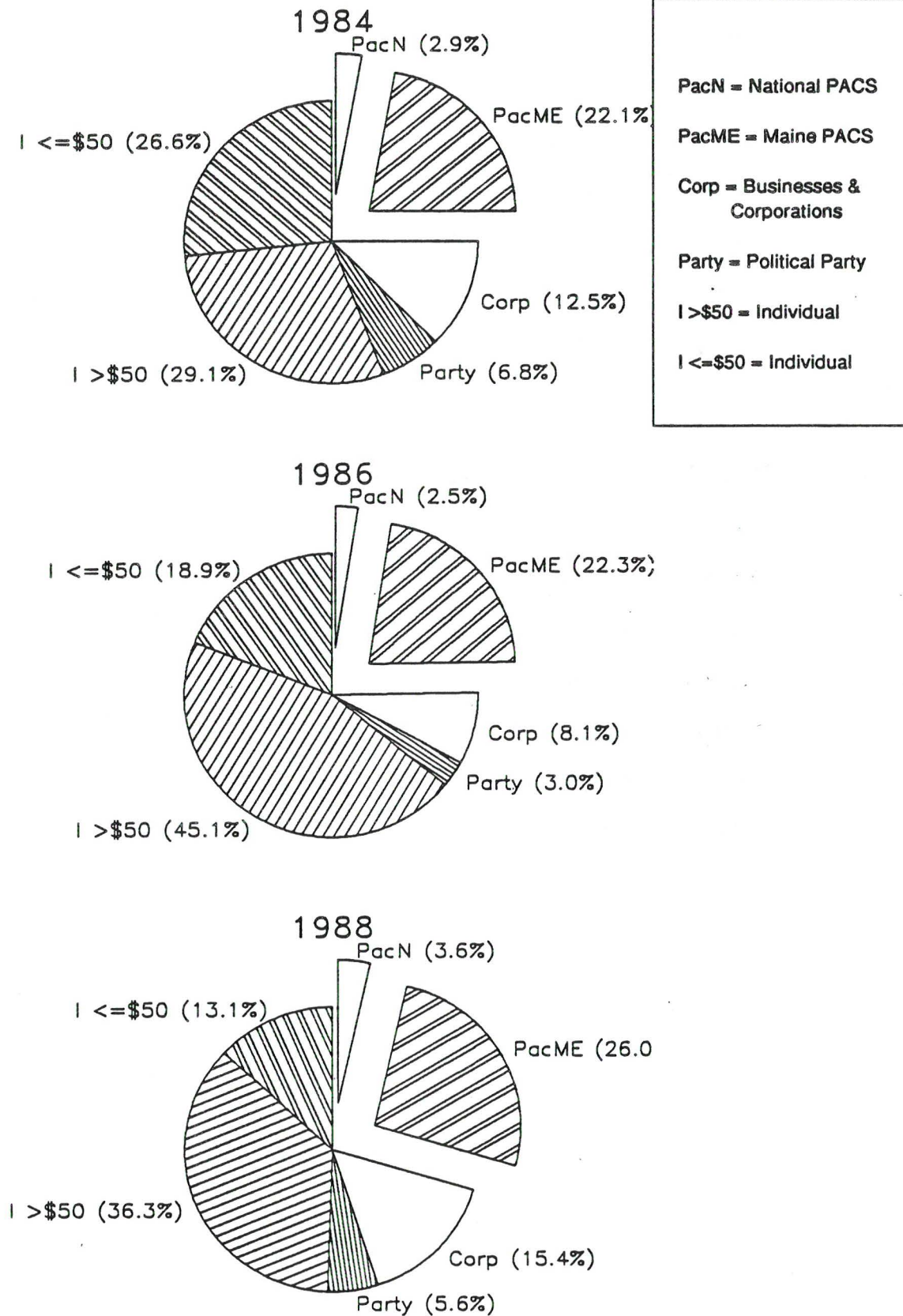


Figure 9. CAMPAIGN CONTRIBUTIONS - TYPE AS % OF TOTAL
Maine House - 6 Districts Totalled

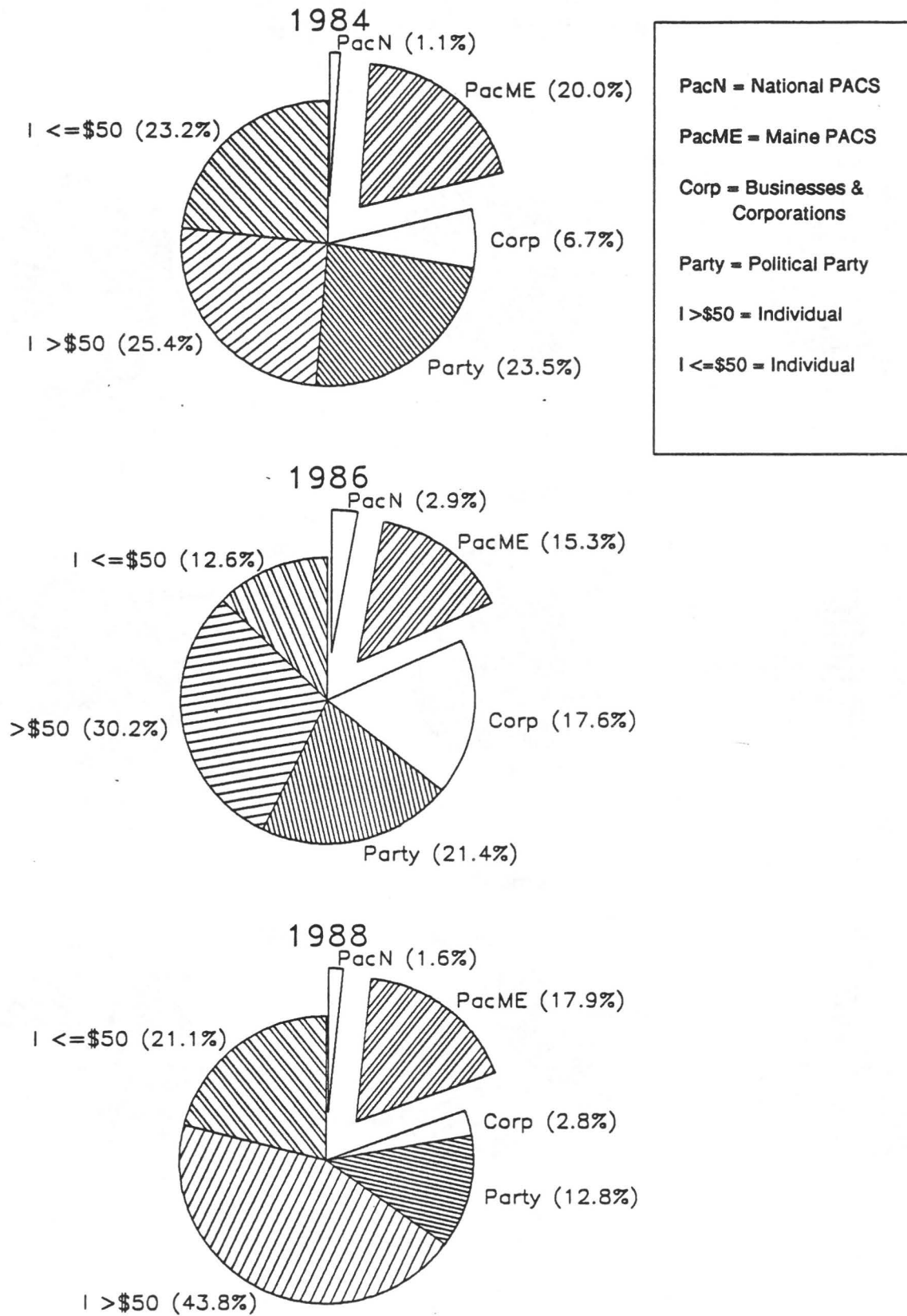
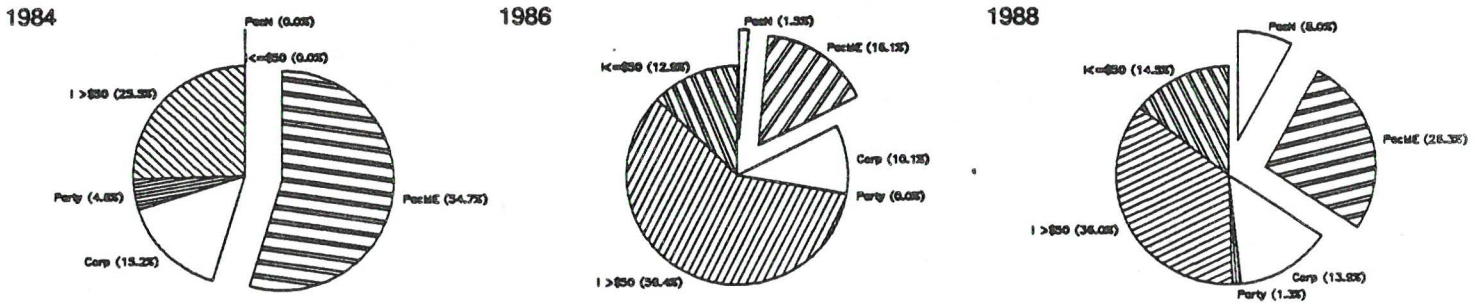
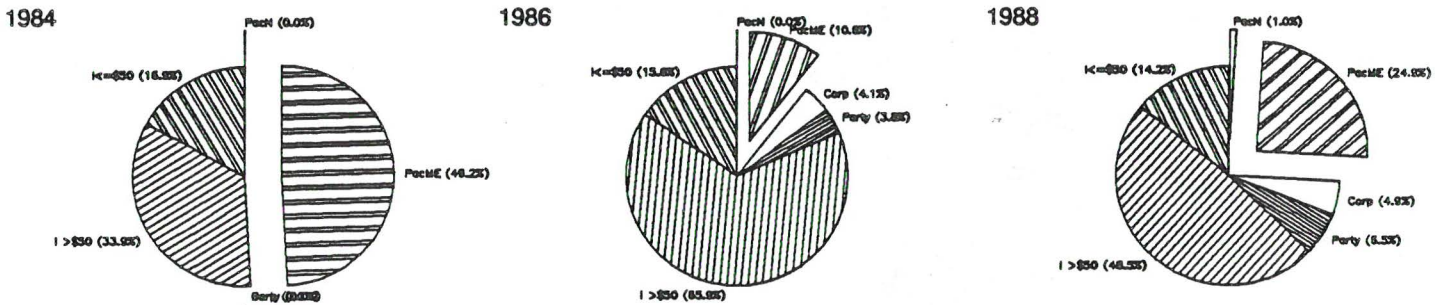


Figure 10a. CAMPAIGN CONTRIBUTIONS -TYPE AS % OF TOTAL
Maine Senate – Districts A, B & C By Year

District A



District B



District C

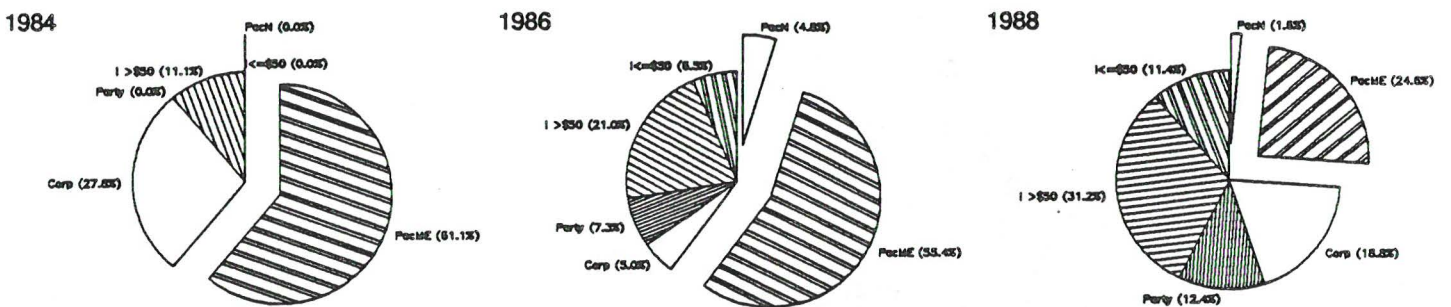
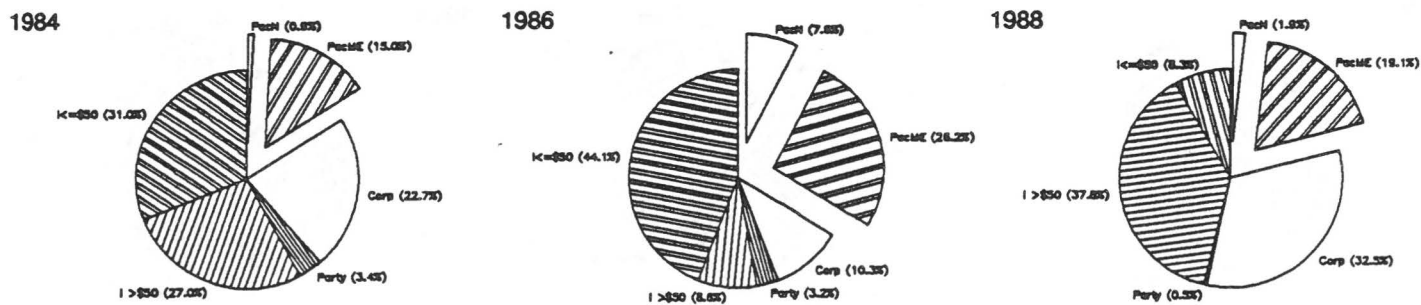
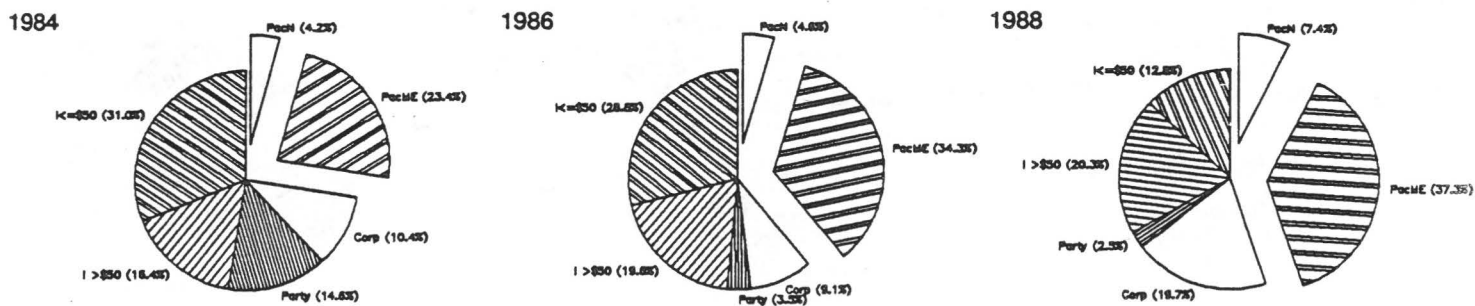


Figure 10b. CAMPAIGN CONTRIBUTIONS -TYPE AS % OF TOTAL
Maine Senate - Districts D, E & F By Year

District D



District E



District F

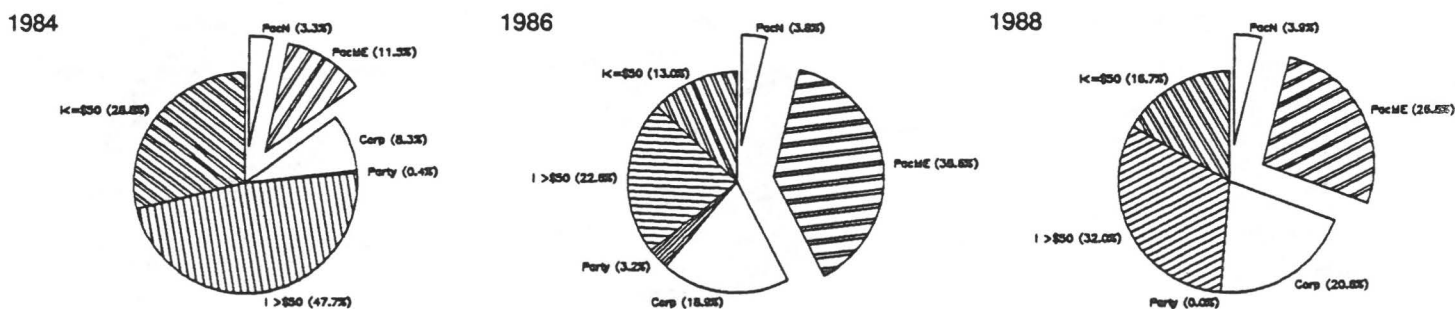
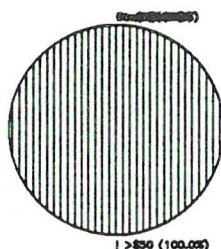


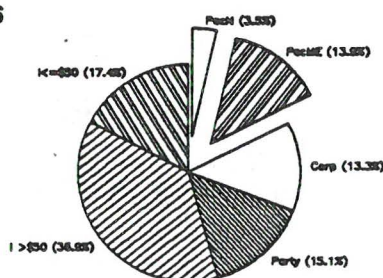
Figure 11a. CAMPAIGN CONTRIBUTIONS -TYPE AS % OF TOTAL
Maine House - Districts A, B & C By Year

District A

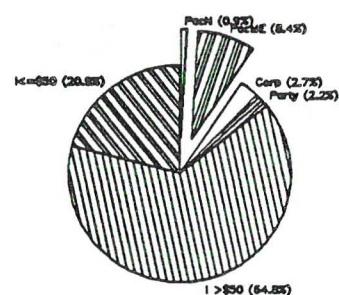
1984*



1986

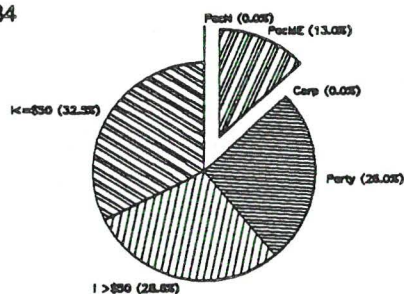


1988

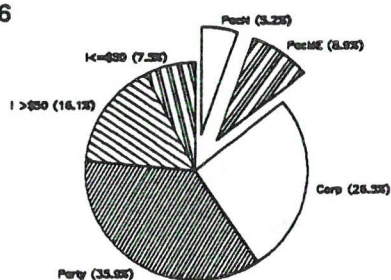


District B

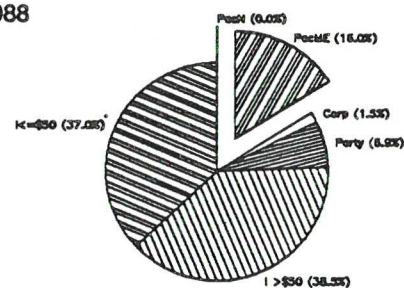
1984



1986

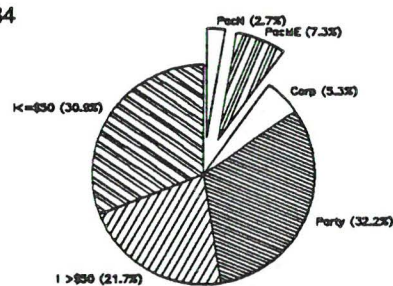


1988

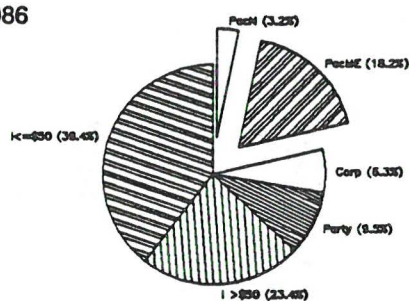


District C

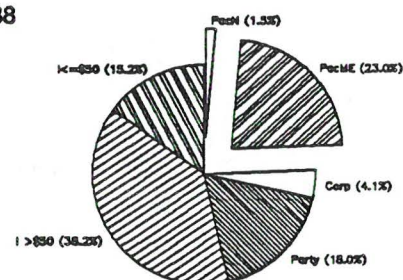
1984



1986



1988

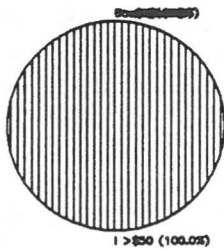


* Only one contribution reported.

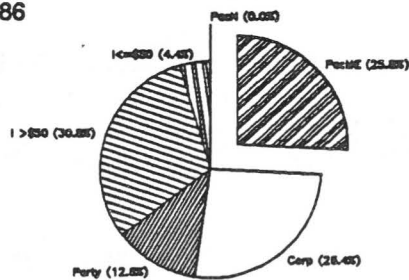
Figure 11b. CAMPAIGN CONTRIBUTIONS -TYPE AS % OF TOTAL
Maine House - Districts D, E & F By Year

District D

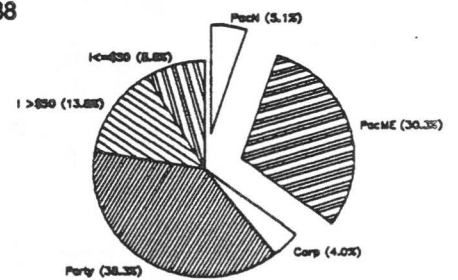
1984*



1986

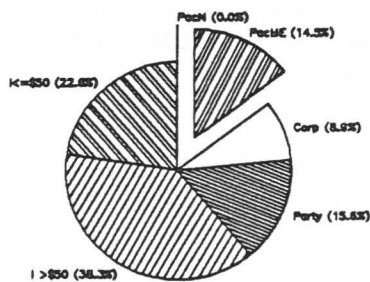


1988

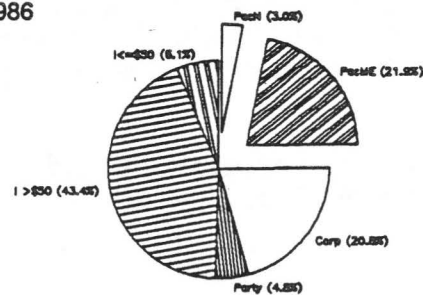


District E

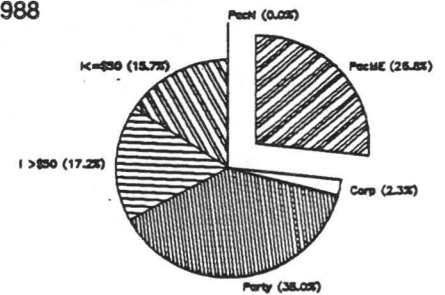
1984



1986

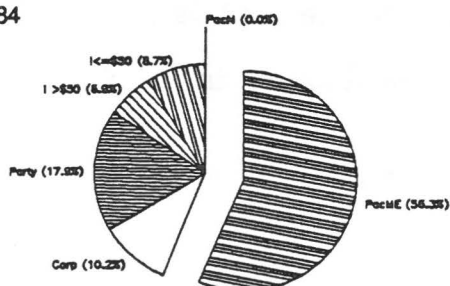


1988

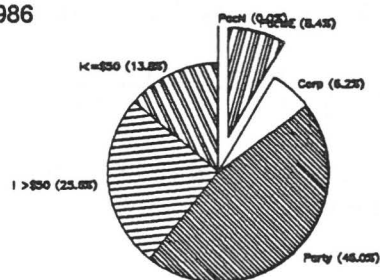


District F

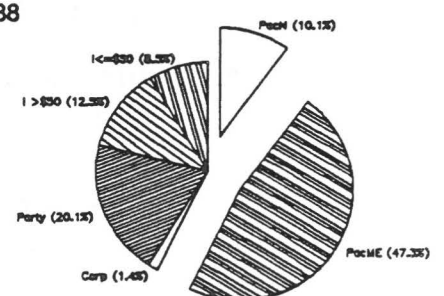
1984



1986



1988



* Only one contribution reported.

Maine PACs

- Aggregate senate district totals indicate the portion of total contributions coming from Maine PACs has only varied from 22% to 26%. Actual aggregate dollars contributed in the 6 study districts rose from \$4,575 in 1984 to \$34,191 in 1988.
- Individual districts show as little as 11% or as great as 61 % of a senate district's campaign contributions have been from Maine PACs in a given year.
- Aggregate totals for 6 house districts indicate from 15 to 20% of contributions have been from Maine PACS. The total dollars contributed by Maine PACs to the 6 study districts was \$600 in 1984 and \$6,453 in 1986. Maine PAC contributions declined to \$2,389 in 1988.
- Individual house districts have shown Maine PACs as contributing from 7% to 56% of total contributions.

Businesses & Corporations

- Campaign contributions by corporations and businesses showed no clear trend. Total dollars for the 6 senate districts increased from \$4575 in 1984 to \$6491 in 1986 to \$34,191 in 1988. Corporation contributions as a piece of the total contributions pie changed from 12.5% to 8.1% to 15.4%.
- Total Contributions by corporations and businesses to the 6 house districts went from \$600 in 1984 to \$6,453 in 1986 and dropped to \$2,389 in 1988.

Political Party

- Political parties were much more important as contributors to the house campaigns studied than to the senate campaigns studied. This was the only category where contributions to house campaigns approached, and in 1986 exceeded, contributions to senate candidates.
- Party contributions represented 23.5 % of all contributions in the 6 house districts in 1984, and 12.8% in 1988.
- Party contributions represented 6.8% of all contributions in the 6 senate districts in 1984 and 5.6% in 1988.

Individuals Contributing More than \$50

- Aggregate totals for both the 6 senate districts and the 6 house districts show 'Individuals Contributing more than \$50' to be the greatest source of funds in each of the 3 years studied.
- This category represented between 29% and 45% of contributions for senate campaigns and between 25% and 44% for house campaigns.

Individuals Contributing \$50 or less

- Aggregate totals of contributions \$50 or less equalled \$9,763 in 1984 senate campaigns, \$15,094 in 1986, and \$29,021 in 1988.
- This category represented 27% of total contributions to the 6 senate districts in 1984, 19% in 1986, and 13% in 1988.
- Aggregate totals of contributions \$50 or less equalled \$2,086 in 1984 house campaigns, \$4,625 in 1986, and \$17,776 in 1988.
- This category represented 23% of total contributions to the 6 house districts in 1984, 13% in 1986, and 21% in 1988.

Average Contribution by Type

- Average contributions have risen fairly steadily for all types with the exception of the category 'Individual > \$50'. (Figures 12a. and 12b) The 1984 and 1986 highs for this category for senate campaigns may be attributable to a number of factors such as high contributions by candidates to their own campaigns, or exceptionally high individual donations in those years.
- The average contribution greater than \$50 ranged from \$412 in 1984 to \$183 in 1988 for senate candidates; and from \$129 in 1984 to \$178 in 1988 for house candidates. (Figures 12a & 12b)
- The average party contribution was higher for house candidates than for senate candidates. Party contributions make up a bigger percentage of contributions for house campaigns than for senate campaigns.

Figure 12a. AVERAGE CONTRIBUTION BY TYPE
Maine Senate

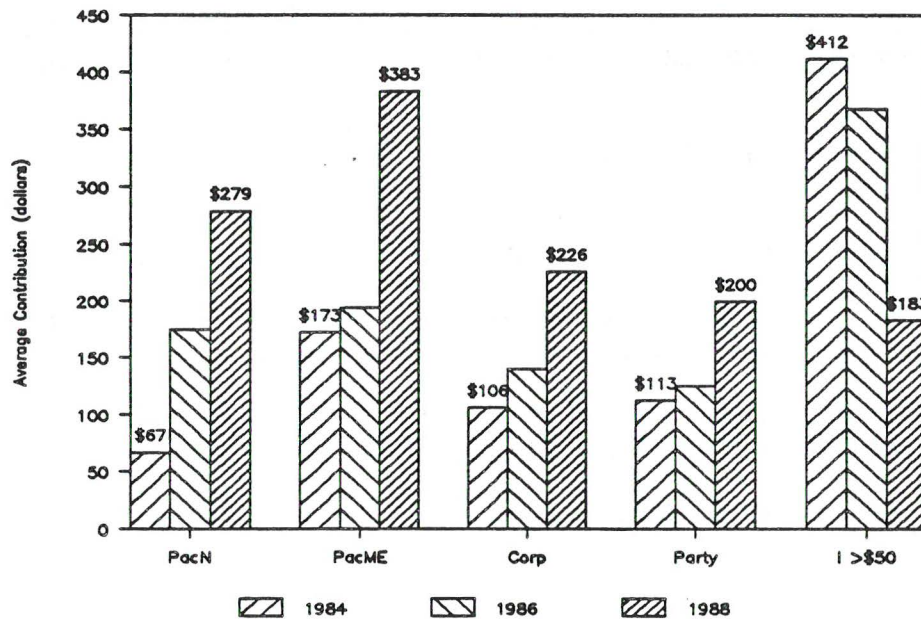
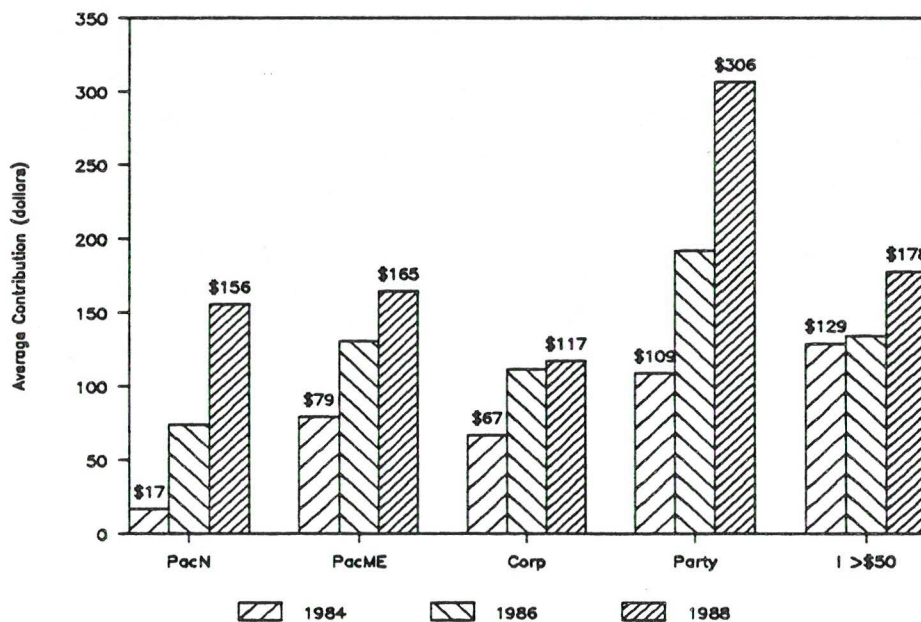


Figure 12b. AVERAGE CONTRIBUTION BY TYPE
Maine House



PacN = National PACS	Party = Political Party
PacME = Maine PACS	I >\$50 = Individual
Corp = Businesses & Corporations	

*In 1984 dollars, 1986 & 1988 contributions adjusted for inflation.

CONCLUSION

The overall conclusion suggested by information gathered from the 6 house and 6 senate districts studied is that while overall spending has increased significantly there has been no significant increase in the relative significance of any particular category of contributor or category of expenditure. In other words, the pie has grown larger but the size of the slices have remained roughly the same.

It is also important to note that the case study suggests that the campaign financing picture varies greatly district by district, year by year. Therefore, generalized conclusions about overall trends should be made with this in mind. Many intangibles, such as an uncontested race, an open seat, or perception that a particular candidate is vulnerable, appear to drive spending by and contributions to political campaigns. These occurrences, like the stock market, are difficult to predict.

APPENDIX C

1990 POST-PRIMARY SUMMARY:

A FOLLOW-UP TO A CASE STUDY OF CAMPAIGN FINANCING IN 6 MAINE SENATE AND 6 MAINE HOUSE DISTRICTS

Figures 1a & 1b present total campaign receipts and expenditures including carry over from previous reports. District variation is evident. All 6 senate districts ended the period with a surplus of funds. The two house districts with the highest receipts and expenditures were those with contested primaries.

Figures 2a & 2b break down contributions for the 42 day post primary report period by type (carry over from previous reports is not included). The pies are very similar to those of the previously studied campaign years. (see Appendix B, Figures 8 & 9) Individuals contributing over \$50 continue to account for the largest percentage of total contributions. The preliminary 1990 figures show corporations and businesses accounting for a larger percentage of contributions to house candidates than in previous years. (20.8% vs. 2.8 to 17.6 %)

Figures 3a & 3b break down expenditures for the 42 day post primary period by type (carry over from previous reports is not included). Printing costs dominated expenditures by senate candidates. No money was spent on electronic media by senate candidates in the 6 study districts. Expenditures by house candidates show a pattern similar to that of previous campaigns. (see Appendix B, Figures 3 & 4)

Figures 4a & 4b present total contributions for the 1984, 1986 and 1988 campaigns and total contributions received through the 42 Day Post Primary report for the 1990 campaign. All amounts are presented in real dollars. The 1984, '86 and '88 figures were compiled from the 42 Day Post-Election reports. Data collection methods do not enable us to compare the 1990 post primary data with post primary data from previous campaigns.

Contributions by type are given for each campaign year in **Table 1**. All amounts have been adjusted for inflation and presented in 'real' dollars. The 1990, 6-district total for senate candidates was \$77,444 through the 42-Day Post-Primary report. This is more than the total contributions received throughout the 1984 and 1986 campaigns and equals approximately 39% of the 1988 campaign total, \$200,170. The 1990 post-primary total for house candidates was \$13,503, roughly 18% of total campaign contributions for 1988, \$76,118.

Table 2 presents expenditures by type. Again, all amounts have been adjusted for inflation and presented in 'real' dollars. The 1990, 6-district total for senate candidates was \$32,253 through the post-primary report period. This amount equals 15% of total expenditures for the 1988 campaign, \$214,694. The 1990 post-primary total for house candidates was \$11,350, 13% of total campaign expenditures for 1988, \$86,596. Total expenditures for the 1990 campaign can not be estimated from the study data.

POST-PRIMARY SUMMARY

Figure 1a. CAMPAIGN CONTRIBUTIONS AND EXPENDITURES 1990*
Maine Senate – 6 Districts

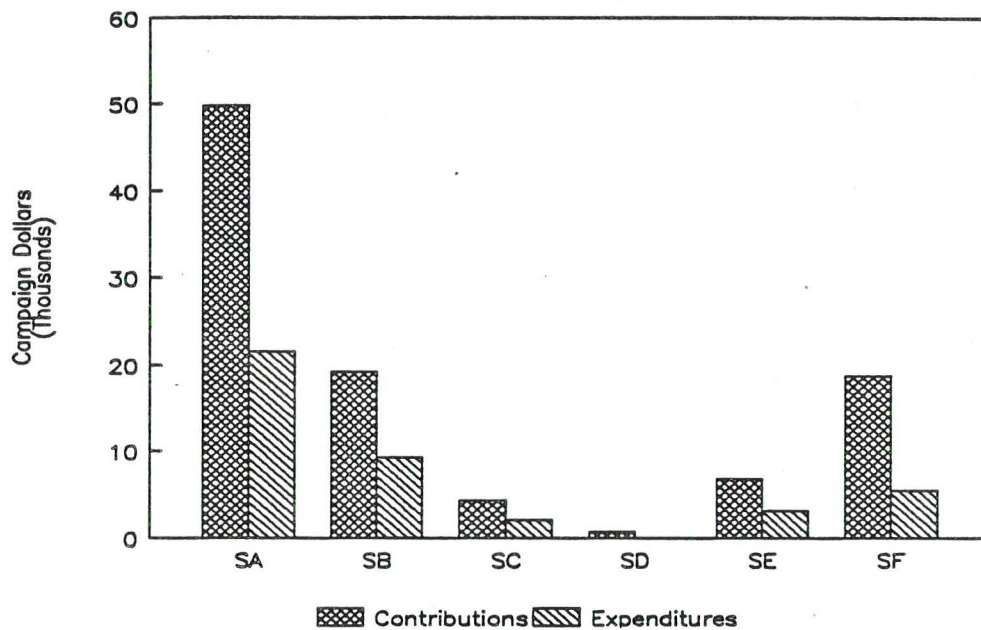
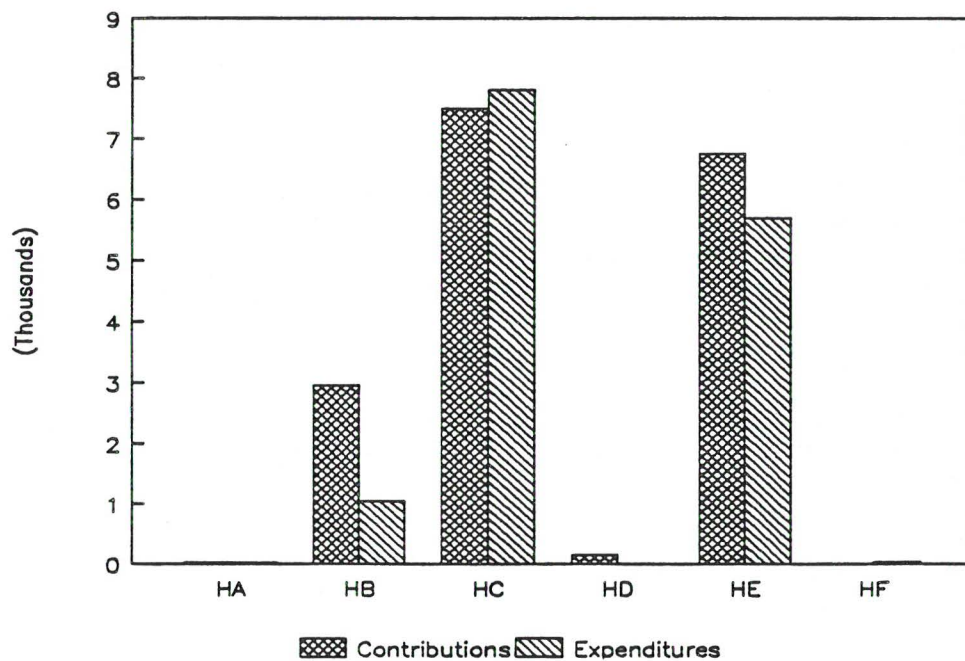


Figure 1b. CAMPAIGN CONTRIBUTIONS AND EXPENDITURES 1990*
Maine House – 6 Districts



* Up to and including 42-day post-primary report period, in current dollars.

1990 POST-PRIMARY SUMMARY

Figure 2a. CAMPAIGN CONTRIBUTIONS - TYPE AS % OF TOTAL
Maine Senate - 6 Districts Totalled
1990 42 Day Post-Primary Report

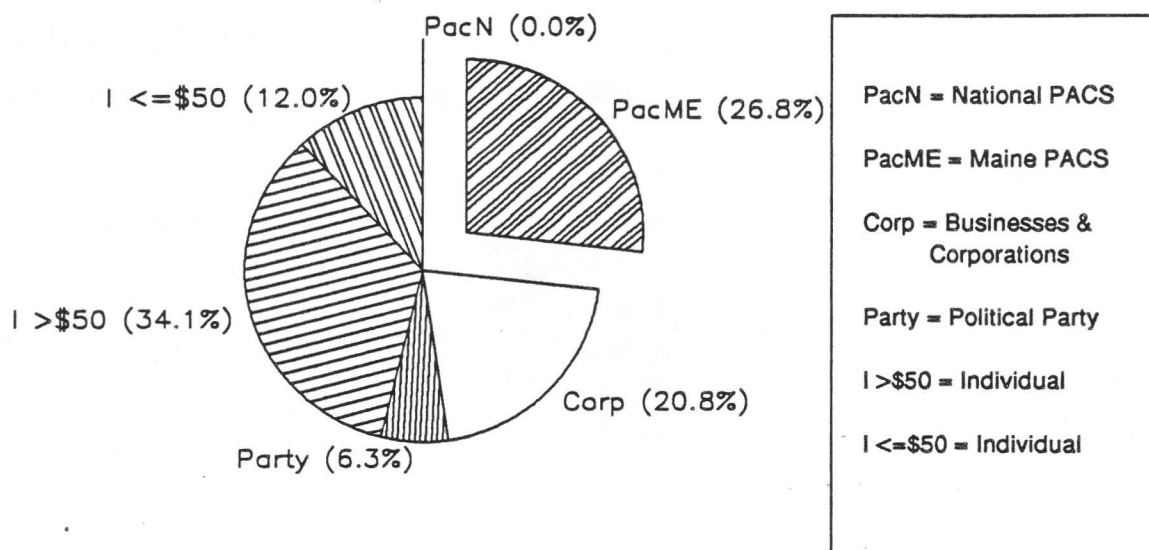
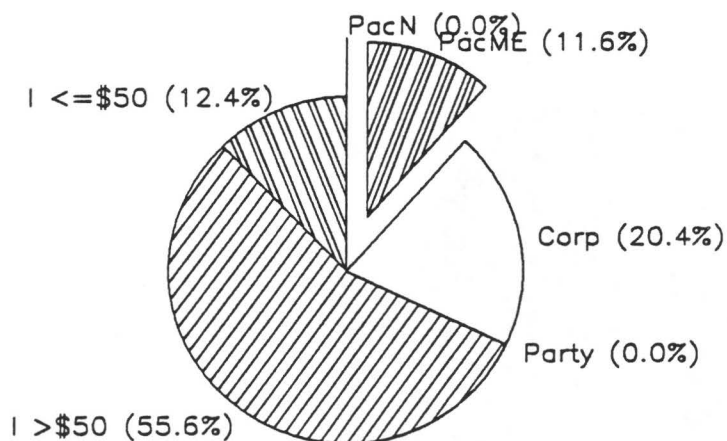


Figure 2b. CAMPAIGN CONTRIBUTIONS - TYPE AS % OF TOTAL
Maine House - 6 Districts Totalled
1990 42 Day Post-Primary Report



1990 POST-PRIMARY SUMMARY

Figure 3a. CAMPAIGN EXPENDITURES – TYPE AS % OF TOTAL
Maine Senate – 6 Districts Totalled
1990 42 Day Post-Primary Report

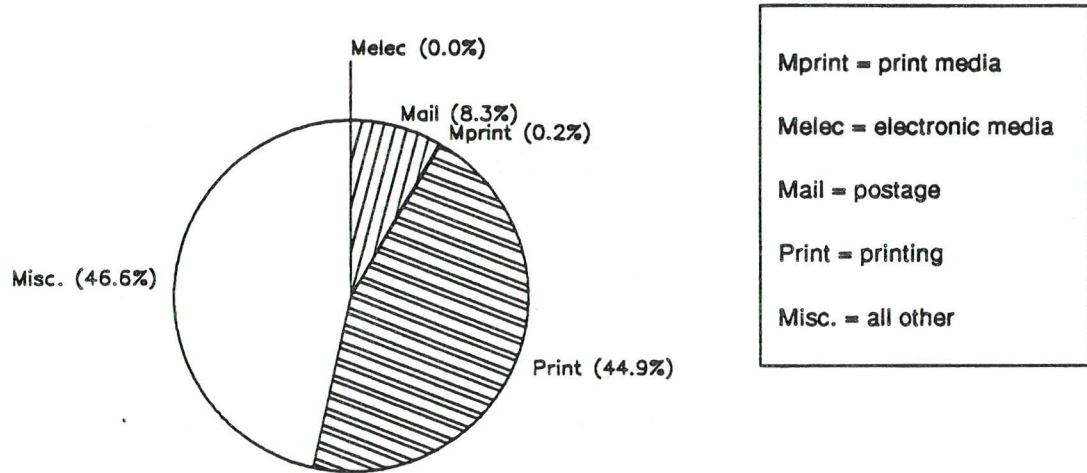


Figure 3b. CAMPAIGN EXPENDITURES – TYPE AS % OF TOTAL
Maine House – 6 Districts Totalled
1990 42 Day Post-Primary Report

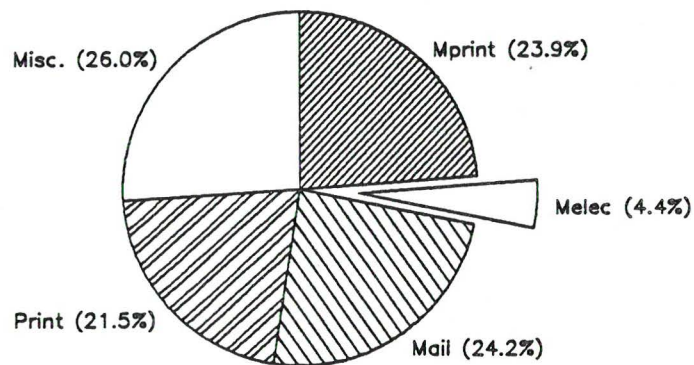


Figure 4a. CAMPAIGN CONTRIBUTIONS 1984, 1986, 1988, 1990
Maine Senate - 6 Districts Totalled

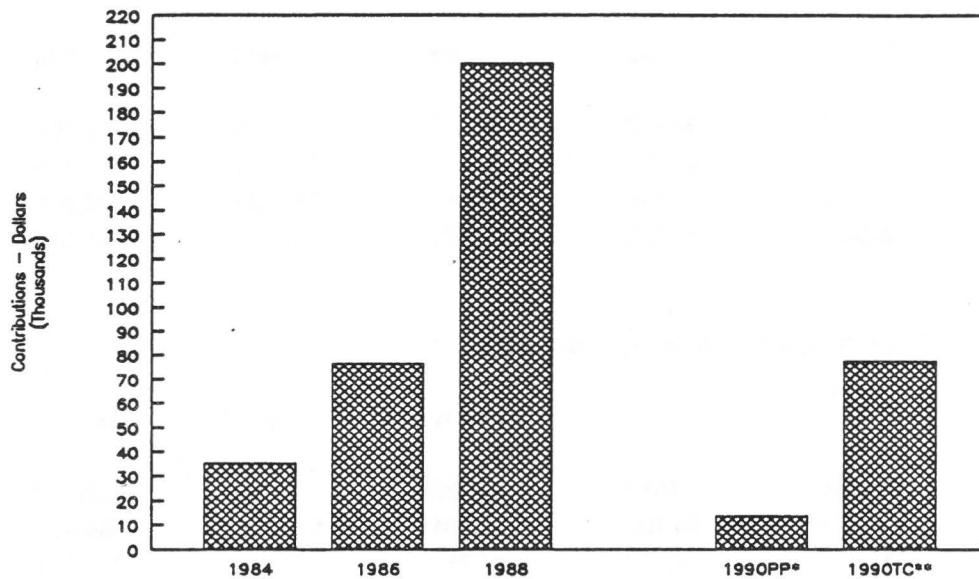
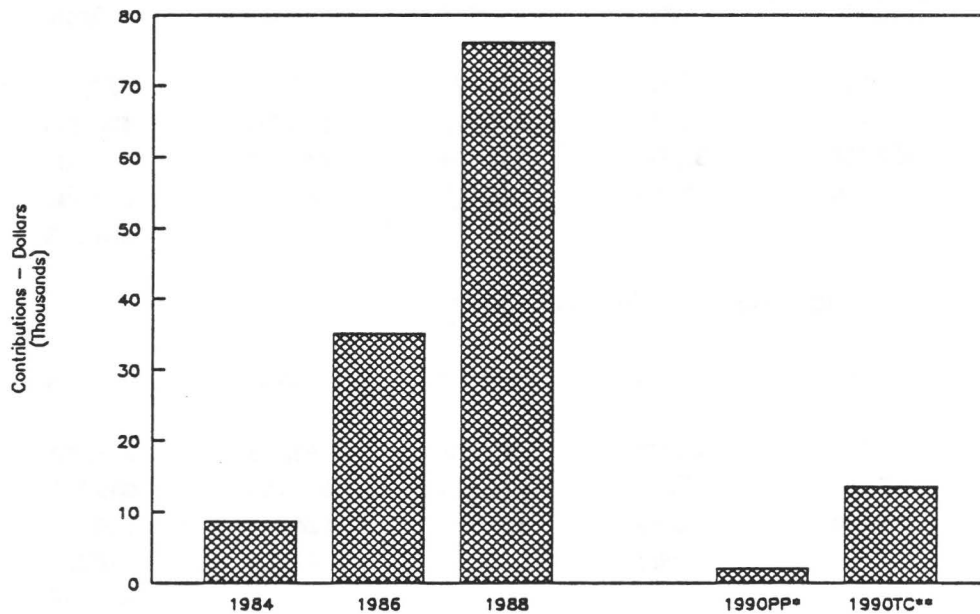


Figure 4b. CAMPAIGN CONTRIBUTIONS 1984, 1986, 1988, 1990
Maine House - 6 Districts Totalled



1990PP* - Contributions received during 42-Day Post-Primary report period.

1990TC** - Total contributions received during campaign up to and including 42-Day Post-Primary report.

Note: Contributions for all years in real dollars.

Table 1. SUMMARY OF CONTRIBUTIONS BY TYPE - 1984, 1986, 1988, 1990

Maine Senate - 6 Districts Totalled							
	PacN	PacME	Corp	Party	I>\$50	I<=\$50	Totals
1984	\$1,011	\$7,810	\$4,403	\$2,406	\$10,276	\$9,396	\$35,303
1986	\$1,870	\$17,054	\$6,215	\$2,283	\$34,452	\$14,455	\$76,238
1988	\$7,143	\$51,986	\$30,916	\$11,194	\$72,692	\$26,241	\$200,170
1990*	\$0	\$3,662	\$2,836	\$855	\$4,650	\$1,644	\$13,647
1990**							\$77,444
Maine House - 6 Districts Totalled							
	PacN	PacME	Corp	Party	I>\$50	I<=\$50	Totals
1984	\$96	\$1,731	\$577	\$2,032	\$2,196	\$2,008	\$8,640
1986	\$1,004	\$5,350	\$6,180	\$7,504	\$10,588	\$4,429	\$35,053
1988	\$1,183	\$13,613	\$2,160	\$9,719	\$33,370	\$16,073	\$76,118
1990*	\$0	\$233	\$408	\$0	\$1,113	\$248	\$2,002
1990**							\$13,503

Table 2. SUMMARY OF EXPENDITURES BY TYPE - 1984, 1986, 1988, 1990

Maine Senate - 6 Districts Totalled						
	Mprint	Melec	Mail	Print	Misc.	Totals
1984	\$4,986	\$1,395	\$5,466	\$11,376	\$15,332	\$38,554
1986	\$7,656	\$14,288	\$12,612	\$25,917	\$22,754	\$83,226
1988	\$23,488	\$37,984	\$31,687	\$42,416	\$79,120	\$214,694
1990*	\$36	\$0	\$1,281	\$6,969	\$7,221	\$15,507
1990**						\$32,253
Maine House - 6 Districts Totalled						
	Mprint	Melec	Mail	Print	Misc.	Totals
1984	\$1,488	\$439	\$2,508	\$3,206	\$3,665	\$11,306
1986	\$5,588	\$3,888	\$8,589	\$12,906	\$14,355	\$45,325
1988	\$12,745	\$4,646	\$20,168	\$24,524	\$24,515	\$86,596
1990*	\$965	\$176	\$980	\$871	\$1,052	\$4,044
1990**						\$11,350

* 42-Day Post-Primary Report period 1990.

** Campaign total up to and including 42-Day Post Primary Report 1990.

Note: All contributions and expenditures in real dollars.

APPENDIX D

FIRST REGULAR SESSION

ONE HUNDRED AND FIFTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

AN ACT to Enhance the Capabilities of the
Commission on Governmental Ethics
and Election Practices.

Be it enacted by the People of the State of Maine as follows:

Appropriation. The following funds are appropriated from the
General Fund to carry out the purposes of this Act.

1991-92

COMMISSION ON GOVERNMENTAL
ETHICS AND ELECTION PRACTICES

Governmental Ethics and
Election Practices,
Commission on

All Other	\$ 2,332
Capital Expenditures	12,756

TOTAL	\$15,088
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Provides funds for additional
computers and supporting
equipment and software.

STATEMENT OF FACT

This bill is a recommendation of the Commission to Study
Public Financing of State Elections. It provides funds for the
Commission on Governmental Ethics and Election Practices to
tabulate and analyze campaign finance reports submitted to that
office for purposes of public policy decision making.

1331LHS

APPENDIX E

FIRST REGULAR SESSION

ONE HUNDRED AND FIFTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

AN ACT Relating to Out-of-State Political
Action Committees.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 21A MRSA §1051, first paragraph, is amended to read:

§1051. Application

This subchapter applies to the activities of political action committees ~~organized in this State~~ that accept contributions, incur obligations or make expenditures in an aggregate amount in excess of \$50 in any one calendar year for the election of state or county officers, or for the support or defeat of any campaign, as defined in this subchapter.

Sec. 2. 21-A MRSA §1053, sub-§7 is amended to read:

7. **Contributions to committee.** The names and mailing addresses of contributors who donate in excess of \$50 each year to the committee with amount or value of each contribution at the time of registration. Any person who makes contributions on an installment basis, the total of which exceeds \$50 in the calendar year, is considered a contributor to be identified under this subsection. A political action committee that is not organized in this State need not report contributions from sources outside of the State.

STATEMENT OF FACT

This bill is a recommendation of the Commission to Study Public Financing of State Elections. It provides that, for purposes of campaign finance reporting, political action committees not organized in this state will be treated the same as political action committees which are organized in this state except that committees organized outside the State will not be required to report contributions from outside the State..

1331LHS